AOI Announces Expansion in the City of Sugar Land

October 28, 2025

When Complete, AOI Will Have the Largest Production Capacity for AI-focused Datacenter Transceivers in the U.S.

SUGAR LAND, Texas, Oct. 28, 2025 (GLOBE NEWSWIRE) -- The City of Sugar Land, together with Applied Optoelectronics Inc. (Nasdaq: AAOI), a leading provider of advanced optical and hybrid fiber coax (HFC) networking products that power the internet, announced that AOI is expanding its operations by onshoring part of its international manufacturing to Sugar Land. This effort will strengthen the company's domestic footprint and bring a range of high-quality manufacturing and technology jobs to Texas.

The expansion is part of a 10-year agreement facilitated by the City of Sugar Land Office of Economic Development and supported by a $2 million incentive package from the city, with assistance from Fort Bend County. The expansion includes the addition of a new manufacturing line to AOI's existing headquarters, and a new 210,000 square foot facility for manufacturing innovative optical transceivers for AI-focused data centers, expected to be operational by summer of 2026. With this expansion, AOI is making a capital investment of over $150 million and will create over 500 new jobs in Sugar Land over the next five years, spanning advanced engineering, product management, distribution operations, customer experience and finance, among others. The expansion project, when complete, will have the largest production capacity for AI-focused datacenter transceivers in the U.S.

AOI was founded at the University of Houston in 1997 and opened its headquarters in Sugar Land with 35 employees 25 years ago. AOI has grown to employ nearly 450 people in Sugar Land today. The company's products power the internet, including lasers, components, modules and equipment and are used in data centers and throughout CATV broadband, telecom and fiber-to-the-home (FTTH) markets.

AOI's continued investment in Sugar Land underscores the city's growing reputation as a hub for innovative technology companies. The city's business-friendly environment, primed infrastructure, nationally recognized quality of life and excellent workforce, along with its proximity and connection to Houston's research and technology giants, make it one of the most inviting locations for companies that are ready for the next level of growth. AOI's large-scale expansion is expected to contribute significantly to the economic vitality of the city, generate new employment opportunities and amplify the sense of vibrancy energizing the community.

About the City of Sugar Land
WE ARE TRAILBLAZERS ... relentless in our pursuit of progress so that our employees, residents, and businesses can enjoy a life better than they ever imagined. Sugar Land has always been a city that surpasses expectations, fearlessly forging new paths while delivering top-tier services to its residents. According to our latest Citizen Satisfaction Survey, 95 percent of residents love calling Sugar Land home, with 10 percent saying that nothing could make their lives better than they already are. As a community built on entrepreneurial spirit and a commitment to the future, we aim to be a city that the private sector looks to for inspiration. We don't just follow trends—we set them. With unwavering determination, we are trailblazing a path toward a vibrant future where innovation and progress thrive. The possibilities are endless. Together, we can ensure a bright future for Sugar Land.

About the City of Sugar Land Office of Economic Development, Tourism (SLOEDT)
The Sugar Land Office of Economic Development and Tourism (SLOEDT), a department of the City of Sugar Land, is committed to promoting sustainable economic growth and a vibrant visitor economy. Through its two divisions: Business Development and Tourism, SLOEDT focuses on recruiting new businesses, retaining existing employers, revitalizing the community, implementing strategic initiatives, and fostering tourism. These efforts play a vital role in enhancing the quality of life for residents, supporting local businesses, and welcoming visitors.

Together, these departments support a unified vision for prosperity and growth. For more information, visit www.SugarLandEcoDev.com or contact ecodev@sugarlandtx.gov.

About AOI
Applied Optoelectronics, Inc. (AOI) is a leading developer and manufacturer of advanced optical and HFC networking products that are the building blocks for AI datacenters, CATV and broadband fiber access networks around the world. AOI supplies this critical infrastructure to tier-one customers across cloud computing, CATV broadband, telecom, and FTTH markets. The company has R&D facilities in Atlanta, GA, and engineering and manufacturing facilities at its corporate headquarters in Sugar Land, TX, as well as in Taipei, Taiwan and Ningbo, China. For additional information, visit www.ao-inc.com.

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QUOTES

Mayor Carol McCutcheon
Sugar Land, Texas

"There's never been a better time to grow in Sugar Land. We are grateful to trailblazing companies like AOI for investing in our community, creating vital jobs that enhance our role as a regional technology hub and helping further shape our city into the thriving center of opportunity and momentum that it is today. We look forward to the lasting impact that this project will have on our economy and the lives of our residents."

Dr. Stefan Murry, Chief Financial Officer and Chief Strategy Officer
AOI

"AOI builds infrastructure that powers the most advanced computing systems in the largest data centers in the world. We are committed to growing our roots and expanding our U.S.-based production capabilities here in Sugar Land, where we have enjoyed lasting support from the city leaders and the community. With our new advanced manufacturing facility, we look forward to growing our workforce by 500 new jobs, helping to attract new and

diverse talent to meet the increasing demands of our customers adapting to the AI era."

Jennifer Alexander, Business Development Manager
City of Sugar Land

"AOI's continued growth in Sugar Land is a powerful reflection of our city's strength as a hub for innovation, manufacturing and global competitiveness. This expansion represents more than just a major investment—it's a statement that Sugar Land is the right place for companies advancing the future of technology. We're proud to support AOI and the hundreds of high-quality jobs this project will bring to our community."

Steve Kean, CEO
Greater Houston Partnerships

"AOI's planned expansion project million is a major win for the Greater Houston region and underscores the strategic advantage of onshoring advanced manufacturing right here in our community. This project not only represents a significant investment in next-generation semiconductor and photonics technology, but it also creates more than 500 high-quality jobs, expands our innovation ecosystem and reinforces Greater Houston's position as a top destination for advanced manufacturing, AI infrastructure and skilled technical talent. We're proud to work closely with AOI and our regional partners to support this transformative expansion."