



Coherent Announces a CHIPS Letter of Intent for \$50 Million to Expand World-Leading Manufacturing Facility for AI Infrastructure

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Proposed award will support new manufacturing jobs and expanded American production of critical optical networking technologies that power next-generation AI datacenters

SHERMAN, Texas, June 16, 2026 (GLOBE NEWSWIRE) -- Coherent Corp. (NYSE: COHR), the global photonics leader, today announced it has signed a letter of intent to receive up to \$50 million in direct funding under the CHIPS and Science Act from the U.S. Department of Commerce to expand its world-leading 6-inch Indium Phosphide (InP) semiconductor manufacturing facility in Sherman, Texas.

The investment will support growing demand for optical networking technologies that power AI datacenters and further strengthen Coherent's longstanding and recently expanded partnership with NVIDIA. At project completion, the Sherman site is expected to create more than 1,000 jobs, including more than 550 direct advanced manufacturing, engineering, and technical roles. The expansion will double manufacturing production space and quadruple wafer production capacity, significantly increasing domestic production of critical AI-enabling technologies and reinforcing American leadership in the technologies that power the AI economy.

The CHIPS award builds upon approximately \$20 million in support previously provided through the Texas Semiconductor Innovation Fund and the Sherman Economic Development Corporation.

The announcement coincides with a groundbreaking ceremony to be held later today with NVIDIA, federal and state officials, and local community leaders at Coherent's Sherman facility. Together, the proposed CHIPS investment, NVIDIA partnership, and Sherman expansion underscore the increasingly vital role of photonics innovation in enabling AI infrastructure, advanced manufacturing, and American technology leadership.

"AI is transforming our world and driving a new era of American manufacturing to build the infrastructure that will power the AI datacenters of the future," said Jim Anderson, Chief Executive Officer of Coherent. "Semiconductor photonic devices are essential building blocks of AI infrastructure, enabling the high-speed connectivity required to move unprecedented amounts of data between processors, memory, and systems. This investment expands America's capacity to manufacture critical AI-enabling technologies, creates high-value jobs, and reinforces U.S. leadership in advanced manufacturing, photonics, and innovation. We thank our partners at NVIDIA, Secretary Lutnick, Bill Frauenhofer and the CHIPS Program Office team, Governor Abbott, Adriana Cruz and the Texas Semiconductor Innovation Fund, and Kent Sharp and the Sherman Economic Development Corporation for their continued support as we invest in expanded capacity and future growth."

Expanding the Foundation of AI Infrastructure

Coherent's Sherman facility manufactures photonic devices based on InP, a specialized semiconductor material used to create high-performance optical networking components that power modern AI systems.

The site is home to the world's first and largest volume-production 6-inch InP manufacturing platform, providing the scale needed to support rapidly growing demand for AI-driven optical interconnect technologies. As AI workloads continue to scale, these technologies are becoming increasingly critical to overcoming data movement bottlenecks and enabling higher-performance, more energy-efficient computing architectures.

The expansion will add advanced wafer fabrication equipment and cleanroom capacity to increase production of InP-based photonic devices at scale, reinforcing Sherman's position as one of the world's leading centers for optical networking innovation and production.

Strengthening U.S. Manufacturing Leadership

Coherent's expansion will strengthen domestic supply chain resilience and expand U.S.-based manufacturing capacity for strategically important semiconductor and photonics technologies.

"Indium phosphide photonics are essential for enabling high-speed data transmission within AI systems, telecommunications, and advanced networks," said Bill Frauenhofer, Executive Director for Semiconductor Investment and Innovation at the Department of Commerce. "The CHIPS incentives will expand production capability, strengthen the U.S. semiconductor supply chain, and accelerate the next generation of critical optical technologies."

Partnership Driving Future Growth

Coherent and NVIDIA have worked together for more than two decades to advance technologies that support increasingly demanding compute and networking architectures. The Sherman expansion reflects the growing importance of American manufacturing capacity, resilient supply chains, and photonics innovation as AI systems continue to scale.

"AI factories are the infrastructure of the new industrial revolution. Connecting millions of GPUs into one thinking machine requires optical technology built for scale, speed, and energy efficiency," said Jensen Huang, founder and CEO of NVIDIA. "Coherent has been an important NVIDIA partner for more than two decades, and its expanded InP manufacturing in Texas will help strengthen the U.S. supply chain for the AI infrastructure the world is racing to build."

Together, the proposed CHIPS award, NVIDIA partnership, and Sherman expansion position Coherent to help meet accelerating demand for AI infrastructure while strengthening America's role in the global supply chain for advanced photonics, optical networking, and next-generation computing technologies.

About Coherent

Coherent is the global photonics leader. We harness photons to drive innovation. Industry leaders in the datacenter, communications, and industrial markets rely on Coherent's world leading technology to fuel their own innovation and growth. Founded in 1971 and operating in more than 20 countries, Coherent brings the industry's broadest, deepest technology stack; unmatched supply chain resilience; and global scale to help its customers solve their toughest technology challenges. For more information, please visit us at coherent.com.

Media Contact

Stacey Keegan

Vice President, Corporate Communications

stacey.keegan@coherent.com

