



NI Extends Leadership Position in Electric Vehicle Testing with Acquisition of Kratzer Automation AG's Test Systems Business

March 31, 2022

AUSTIN, Texas--(BUSINESS WIRE)--Mar. 31, 2022-- NI (Nasdaq: NATI) today announced it has entered into a definitive agreement to purchase the test systems business of Kratzer Automation AG, a European leader in providing holistic customer solutions for electrification (EV). This agreement further expands NI's investment in the high growth area of vehicle electrification and enhances customer connections with key original equipment manufacturers (OEM).

By providing EV testing software and fully integrated test systems, NI will help enable customers to achieve the scale at which the EV market is growing, driven by consumer demand, global regulations, and the push for sustainable transportation. NI tests all critical components of EV including battery, inverter, and engine control. The combined strength of NI's flexible EV Hardware and software test platform with Kratzer Automation AG's application specific EV software and integration capabilities will provide holistic customer solutions that will enable faster responses to changing test needs, accelerating time to market and lowering total cost of test for a broader range of customers.

"The addition of the products, service capability and experienced team from Kratzer Automation AG will help strengthen our ability to provide complete customer centric solutions direct to automotive OEMs and further expand our serviceable market and customer footprint in the fast-growing area of electrification." said Drita Roggenbuck, NI Sr. Vice President and General Manager, Transportation. "This is another example of prioritizing inorganic investments that accelerate the growth areas of our business."

The transaction is expected to add approximately 2 percent to revenue in 2022. There should be minimal cost synergies, due to the complementary nature of the acquired business relative to NI's transportation business. We expect this transaction to become accretive in year two through expected revenue synergy. NI will fund this transaction through cash drawn from its existing revolving credit facility. The deal is subject to statutory approvals and is expected to close in Q2 2022 with approximately 200 employees joining NI.

The focus of this acquisition is to accelerate NI's ability to serve customers in high growth EV applications. This acquisition further strengthens the company's ability to achieve the 2022 targets of 16 percent to 18 percent year over year revenue growth and we remain committed to our goal of 20 percent non-GAAP operating margin.

About NI

At NI, we bring together people, ideas and technology so forward thinkers and creative problem solvers can take on humanity's biggest challenges. From data and automation to research and validation, we provide the tailored, software-connected systems engineers and enterprises need to Engineer Ambitiously™ every day.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding expected effects of the acquisition, such as: 1) NI's ability to help enable customers to achieve the scale at which the EV market is growing, 2) the holistic customer solutions that NI and Kratzer's combined product offerings will provide and the effect of such product offerings on customers of NI and/or Kratzer, 3) the strengthening of NI's ability to provide complete customer centric solutions direct to automotive OEMs and further expand NI's serviceable market and customer footprint, and 4) the company's ability to achieve transaction cost synergies, company targets and additions to revenue. All information in this release is as of the date above. NI undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in NI's expectations. Actual results may differ materially from the expected results. NI directs readers to its Form 10-K for the year ended Dec. 31, 2021 and the other documents it files with the SEC for other risks associated with the company's future performance.

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