NATI

Q2 2022 Investor Presentation

Safe Harbor Warning

Forward-looking Statements

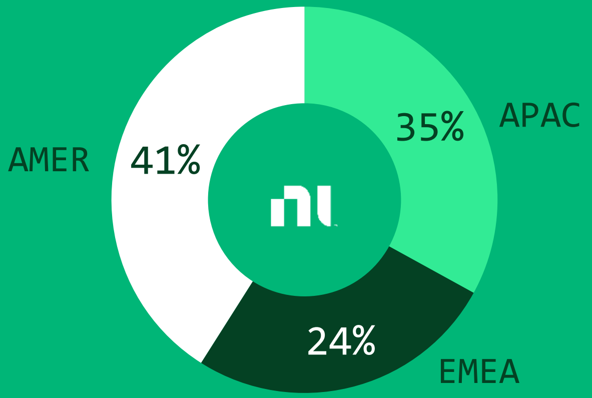
During today’s presentation, we expect to make forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements in this presentation regarding the company’s strategy and long-term model, value proposition, goals, priorities, anticipated revenues, anticipated demand, growth opportunities, customer needs, capital allocation, future product offerings, anticipated financial condition, anticipated GAAP and non-GAAP financial targets, goals and expectations, successful integration of acquisitions and future results of acquired companies, the anticipated strengths and expected growth of the markets the company sells into, and future operations and earnings are forward-looking statements. Forward-looking statements can also be identified by words such as “anticipate,” “plan,” “estimate,” “expect,” “intend,” “forecast,” "target,” “believe,” “outlook,” “prospect,” or future or conditional verbs such as “will,” “should,” “would,” “may,” “can,” or “could.” These statements are subject to a number of risks and uncertainties, and actual results may differ materially from any future results expressed or implied by the forward-looking statements. Risks and uncertainties include without limitation: the global shortage of key components; effect of the global economic and geopolitical conditions; our international operations and foreign economies; adverse public health matters, including epidemics and pandemics such as the COVID-19 pandemic; our ability to effectively manage our partners and distribution channels; interruptions in our technology systems or cyber-attacks on our systems; the dependency of our product revenue on certain industries and the risk of contractions in such industries; concentration of credit risk and uncertain conditions in the global financial markets; our ability to compete in markets that are highly competitive; our ability to release successful new products or achieve expected returns; the risk that our manufacturing capacity and a substantial majority of our warehousing and distribution capacity are located outside of the U.S.; our dependence on key suppliers and distributors; longer delivery lead times from our suppliers; risk of product liability claims; dependence on our proprietary rights and risks of intellectual property litigation; the continued service of key management, technical personnel and operational employees; our ability to comply with environmental laws and associated costs; our ability to maintain our website; the risks of bugs, vulnerabilities, errors or design flaws in our products; our restructuring activities; our exposure to large orders; our shift to more system orders; our ability to effectively manage our operating expenses and meet budget; fluctuations in our quarterly results due to factors outside of our control; our outstanding debt; seasonal variation in our revenues; our ability to comply with laws and regulations; changes in tax rates and exposure to additional tax liabilities; our ability to make certain acquisitions or dispositions, integrate the companies we acquire or separate the companies we sold and/or enter into strategic relationships; risks related to currency fluctuations; and provisions in charter documents and Delaware law that delay or prevent our acquisition. The company directs readers to its Form 10-K for the year ended December 31, 2021, and the other documents it files with the SEC for other risks associated with the company’s future performance. These documents contain and identify important factors that could cause our actual results to differ materially from those contained in our forward-looking statements. All information in this presentation is as of July 28, 2022 (except as otherwise specified). We undertake no duty to update any forward-looking statement to conform the statement to actual results or changes in our expectations.

Non-GAAP Information

In today’s presentation, we have included certain non-GAAP financial measures, including revenue, gross margin, operating expenses, diluted earnings per share, operating margin, and operating income. Our non-GAAP measures exclude, as applicable, the impact of purchase accounting fair value adjustments, stock-based compensation, amortization of acquisition-related intangibles, acquisition-related transaction and integration costs, taxes levied on the transfer of acquired intellectual property, foreign exchange gain/loss on acquisitions, restructuring charges, tax reform charges, disposal gain/loss on buildings and related charitable contributions, tax effects related to businesses held for sale, gain/loss on sale of business, impairment losses on equity-method investments, and capitalization and amortization of internally developed software costs. A reconciliation of the adjustments to GAAP financial measures is included on our website at ni.com/nati at the Non-GAAP Reconciliations link. For periods prior to March 31, 2005, our non-GAAP financial measures are the same as our GAAP results. Certain non-GAAP financial measures presented on a forward-looking basis during today’s presentation, such as non-GAAP operating margin, were not reconciled to the comparable GAAP financial measures because the reconciliation could not be performed without unreasonable efforts due to the unpredictability of the amounts and timing of events affecting the items we exclude from non-GAAP measures. Non-GAAP financial information is not meant as a substitute for GAAP results, but is included because management believes such information is useful to our investors for informational and comparative purposes. In addition, certain non-GAAP financial information is used internally by management to evaluate and manage the company. The non-GAAP financial information used by NI may differ from that used by other companies. These non-GAAP measures should be considered in addition to, and not as a substitute for, the results prepared in accordance with GAAP.

Diverse Business to Fuel Long-Term Growth & Resiliency

35,000+
CUSTOMERS WORLDWIDE



Q2 2022 Revenue

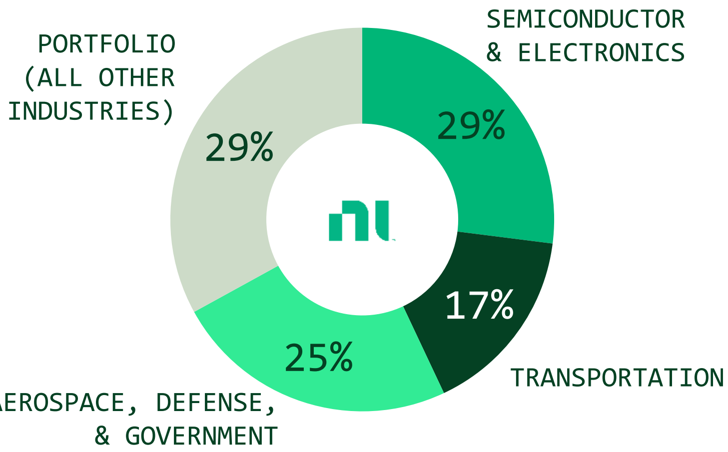
40+
COUNTRIES WITH NI OPERATIONS

HEADQUARTERS
AUSTIN, TEXAS

~7,000
GLOBAL EMPLOYEES

SOFTWARE AND RELATED SERVICES
20% OF TOTAL REVENUE

CUSTOMER PROFILE
70% DIRECT
30% BROAD-BASED



Q2 2022 Revenue

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What Truly Differentiates NI?

First, we provide flexible, and modular test solutions that enable our customers to increase their ability to **constantly evolve** their testing systems to get to market faster. This is an essential capability – especially for those customers in markets where the technology is quickly changing such as electric and autonomous vehicles, wireless communications, and new space technologies. **We believe we have the best product architecture to adapt to these changing customer needs.**

Second is our open and interoperable software offering, which sits atop both NI's hardware as well as the instrument form our peers and competitors to enable customers to **automate** their test processes. Increasingly complex and fast changing devices require highly automated test systems to ensure their functionality and quality. **This comprehensive automation capability is unique to NI and enables our customers to rapidly bring their products to market and evolve them over time.** We have the largest footprint of this test automation software in our industry.

Strategic Focus

Targeting the Most Attractive, High Growth Sub-Segments

Strategically aligned to higher growth segments

Semiconductor and Electronics Business

Macro trends across 5G/wireless infrastructure driving market growth
Supply-chain restrictions of major smartphone suppliers driving new RFIC opportunities

Transportation Business

Significant industry shift to EV resulting in high concentration of R&D and test spend on capital equipment and infrastructure

Aerospace, Defense and Government Business

Highly fragmented market; growth fueled by defense spending, rapidly accelerating opportunities in space travel and commercial aviation

Well Diversified Set of Offerings

Exposure to large and growing $14Bn TAM
Well established within all sectors; product portfolio targeted across major industries without customer concentration

Improving Recurring Revenue Profile

Ongoing transition to subscription model drives improved predictability; enhancements of software and new capabilities provide new sources of revenue while serving as key differentiator

Continue to Drive Improvement in Profitability

Continued channel optimization; increasing wallet share across top customers; increased R&D efficiency; G&A cost management

Focus on Industry Inflections
Drives Growth Ahead of T&M Market

Semiconductor and Electronics
TAM $3B

5G
WIRELESS

10-15% REVENUE CAGR GOAL 2020-2023

Q2 Revenue: $116M
UP 17% YOY

Transportation
TAM $5B

EV

10-12% REVENUE CAGR GOAL 2020-2023

Q2 Revenue: $66M
UP 35% YOY

Aerospace, Defense, & Government
TAM $3B

NEW SPACE

6-9% REVENUE CAGR GOAL 2020-2023

Q2 Revenue: $100M
UP 15% YOY

← DIGITAL TRANSFORMATION →

Platform Leverage and Scale Drives Portfolio Resiliency

The Portfolio BU enables a large and diverse group of engineers and enterprises to get their products to market faster and with higher quality in a profitable manner.

We address their common needs at scale with **mass-market offerings, software tools and vertical solutions** that are easy to buy, use and maintain, and deliver them through modern and efficient channels for the best customer experience.

Electrical Machinery and Equipment	Energy	Life Sciences	Academia

MASS MARKET OFFERINGS

MORE VALUE THROUGH SOFTWARE

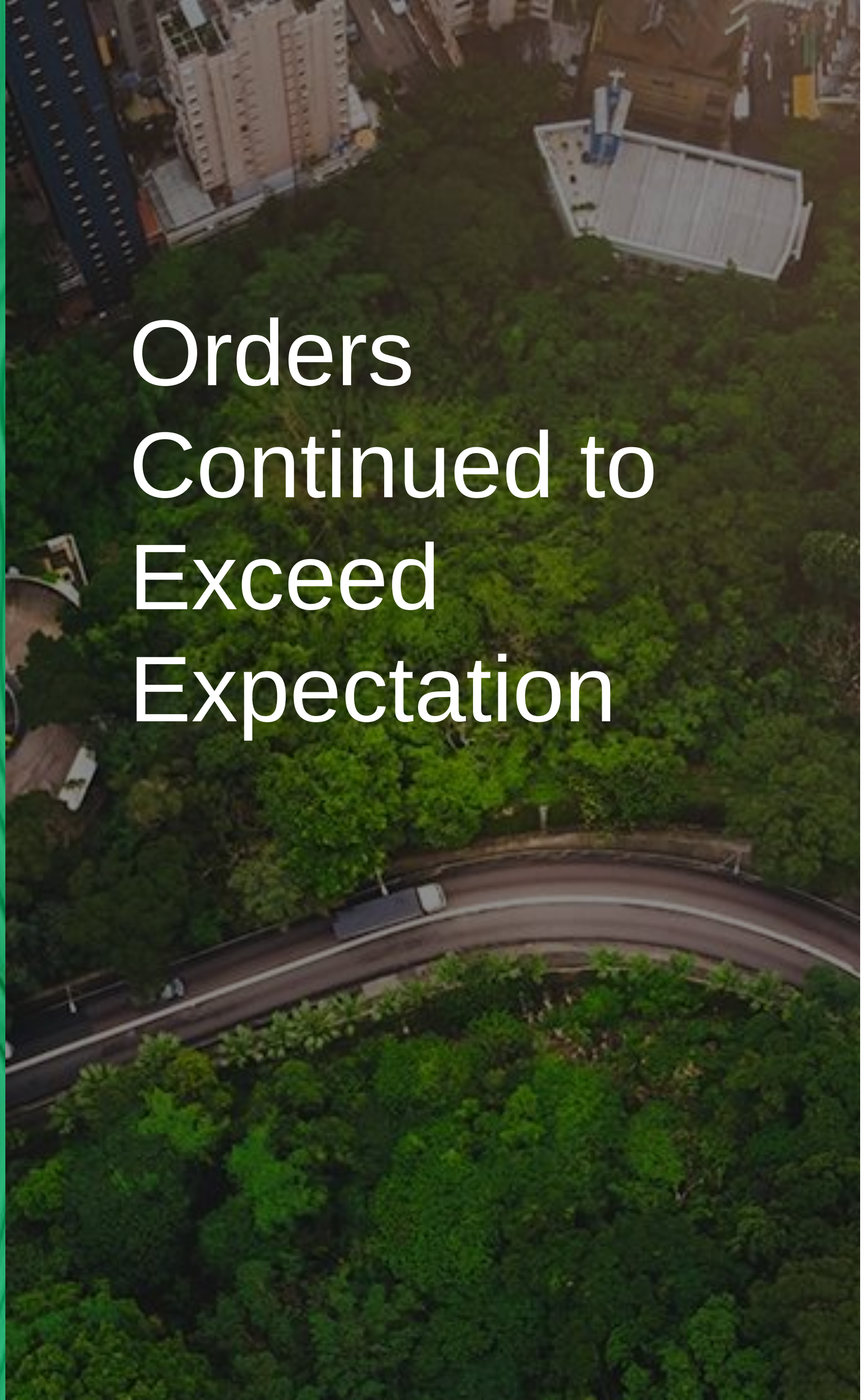
HIGH GROWTH VERTICAL SEGMENTS

STREAMLINE TO BUY

5-6% REVENUE CAGR GOAL 2020-2023

Q2 Revenue: $113M
UP 2% YOY

DIGITAL TRANSFORMATION



Q2 2022 Financial Summary

Record GAAP Revenue of $396M for a second quarter, up 14% YOY

Record Orders for a Q2, up 20% YOY

Record Non-GAAP operating income for a second quarter, up 2% YOY

Record Non-GAAP Diluted EPS for a second quarter up 3% YOY

Software and related services represents 20% of total revenue

Q3 2022 Guidance

Revenue $410 million to $440 million, up 16% YOY at the midpoint

GAAP Diluted EPS of $0.34 to $0.48

Non-GAAP Diluted EPS of $0.46 to $0.60

Strategic Shifts

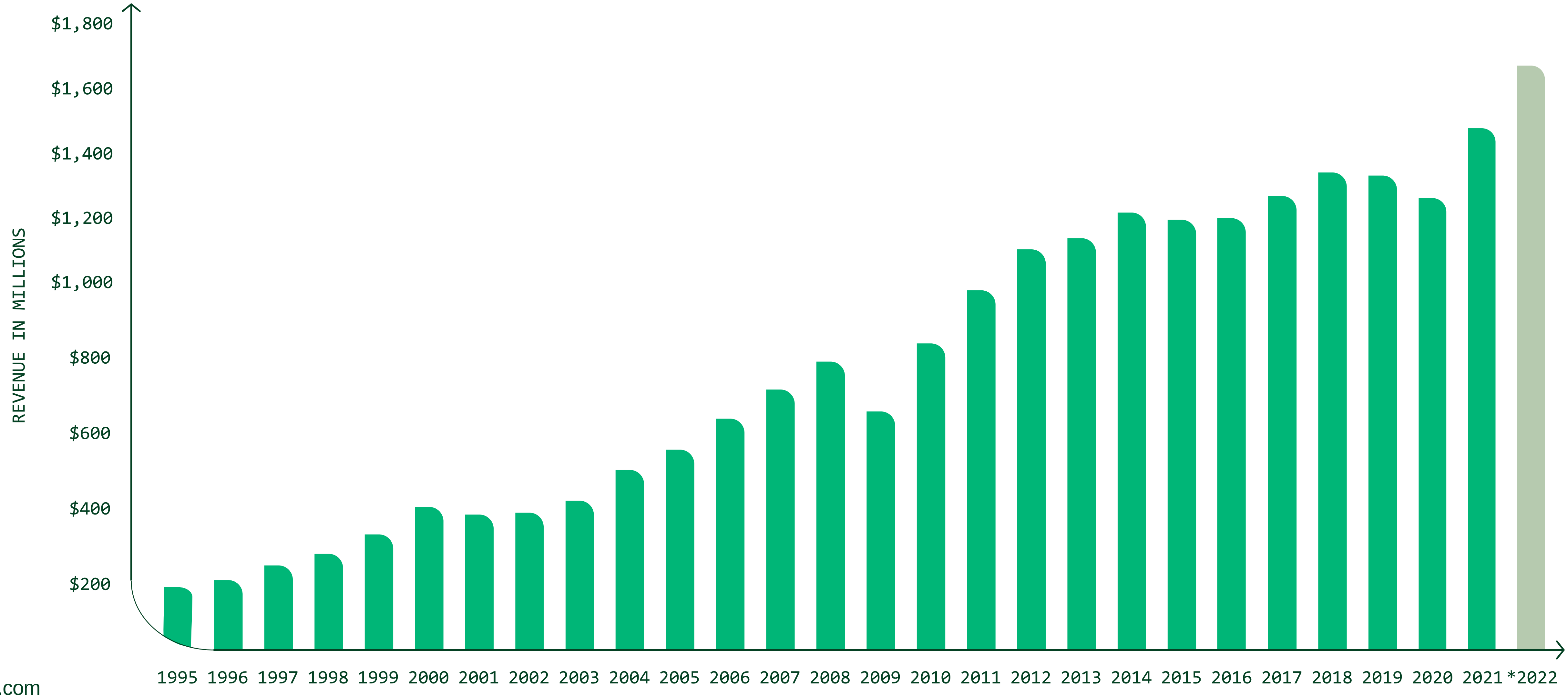
	Previous NI Profile*	Current NI Profile	Impact
Stronger Revenue Mix	<50% REVENUE FROM HIGH GROWTH MARKETS*	70%+ REVENUE FROM HIGH GROWTH MARKETS**	GROWTH FASTER THAN THE MARKET
More Variable Cost Structure	VARIABLE COSTS 20% OF OPEX	VARIABLE COSTS 30% OF OPEX	INCREASED PROFIT PREDICTABILITY AND RESILIENCY
Greater Predictability	1 TO 2 WEEKS BACKLOG 3 MONTH SALES PIPELINE	5 TO 8 WEEKS BACKLOG 6+ MONTH SALES PIPELINE	VALUE IN DIRECT CUSTOMERS RELATIONSHIPS AND ENHANCED LINE OF SIGHT

*PREVIOUS NI PROFILE BASED ON 2017
**HIGH GROWTH MARKETS = SEMICONDUCTOR AND ELECTRONICS, TRANSPORTATION, AEROSPACE/DEFENSE/GOVERNMENT

NATI Non-GAAP Long-Term Model

	2021	Model Through 2025
Revenue Growth	$1.5B 14% YoY	CONSISTENT SHARE GROWTH; OUTPACE THE T&M MARKET
Operating Margin	19%	300 BASIS POINTS OF EXPANSION IN 2023, FOLLOWED BY 100 BASIS POINTS PER YEAR THEREAFTER
Share Count	132M	REPURCHASE TO OFFSET DILUTION

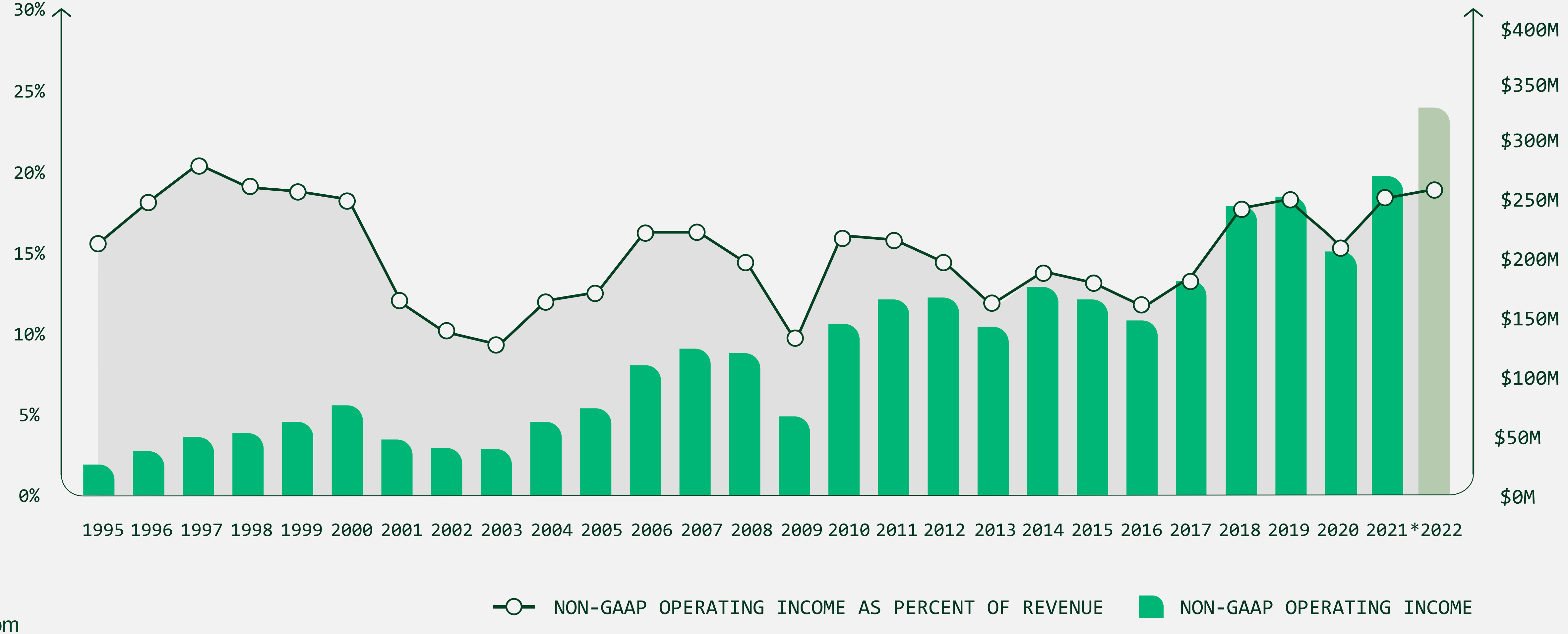
Focused to Deliver Sustainable Growth



*CONSENSUS AS OF JULY 27, 2022

Expanding Non-GAAP Operating Margin

Driving Scale in Operations Through Standardization, Simplification, and Automation



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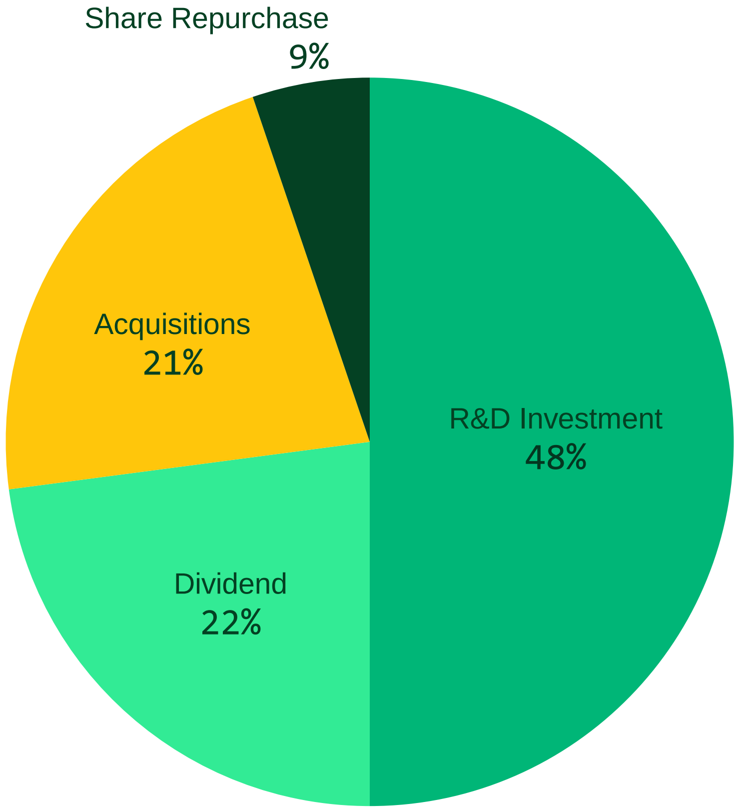


2017 TO 2021

Balanced Capital Allocation

Investing in Growth and Returning Excess Cash to Shareholders

Strong Cash Generation

Generated $1.0B of cash flow from operations in last 5 years

Ended Q2 2022 with $111M in cash and short-term investments

Cash Priorities

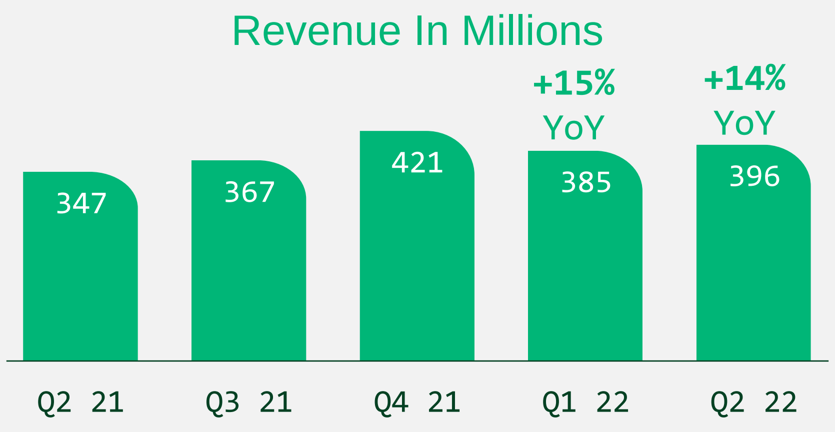
Organic growth through R&D

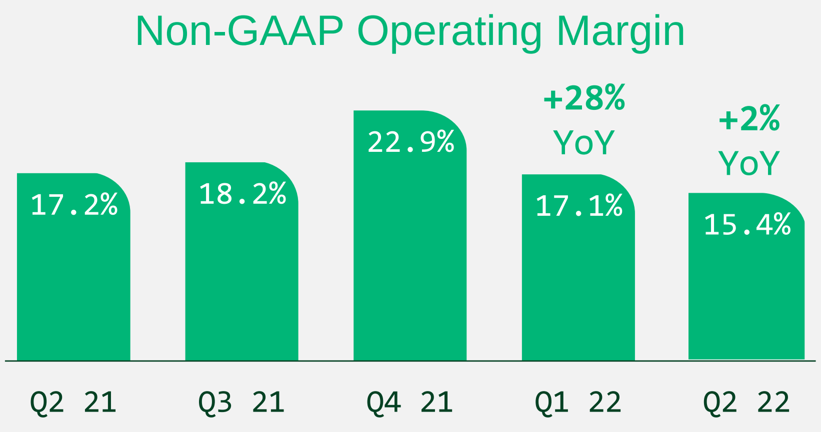
Growth acceleration through inorganic investments

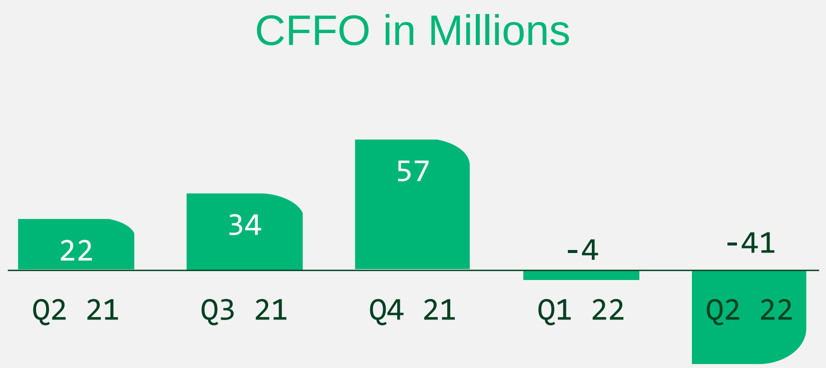
Return capital through dividend

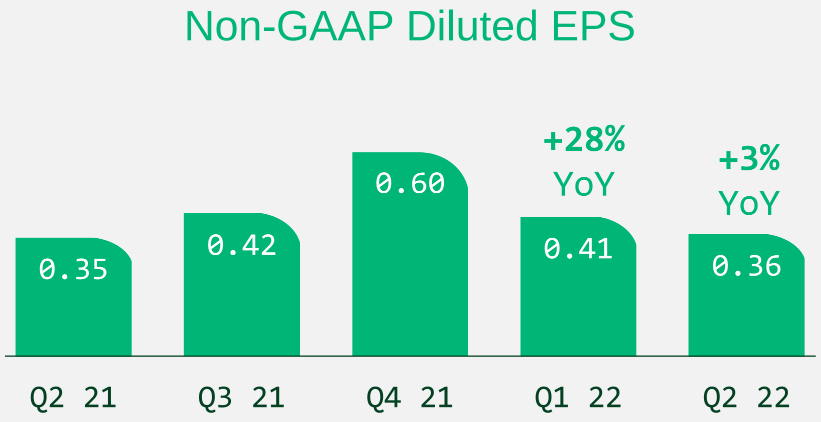
Reduce dilution with share repurchase

Quarterly Business Trends



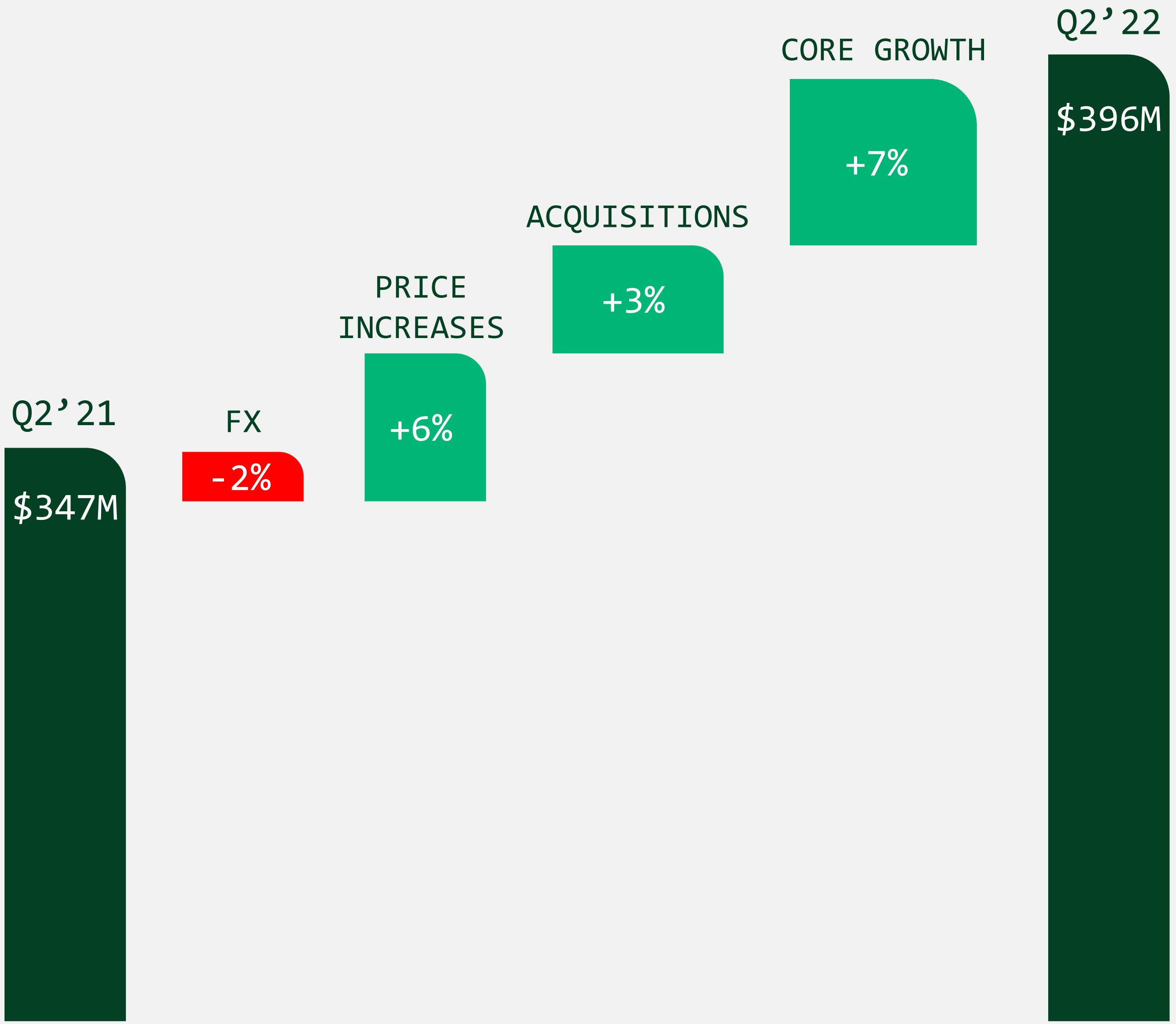






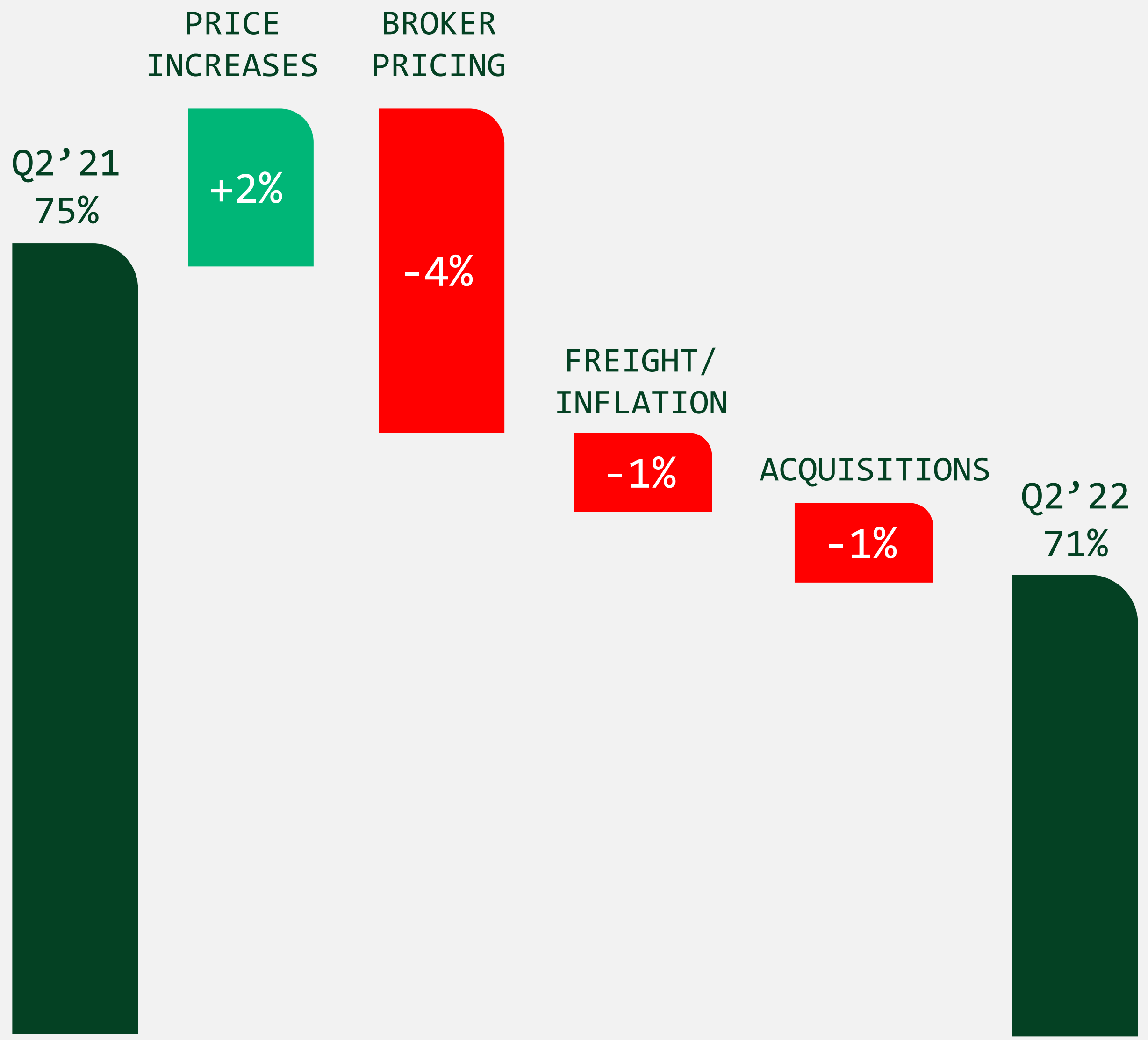
Q2 GAAP Revenue Bridge

GAAP Revenue +14% YoY



NOTE: ACQUISITIONS INCLUDES COMPANIES ACQUIRED IN LAST 12 MONTHS (NHR, KRATZER, HEINZINGER)

Q2 Non-GAAP Gross Margin Bridge



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National Instruments
is now NI.