Welcome

Marissa Vidaurri
Head of Investor Relations
2019 NATI Investor Conference

**Agenda**

**10:00 a.m.** Positioning NI for Long-Term Growth  
Leveraging Our Software Differentiation for Growth  
Driving Growth Through Industry Focus  
Q&A

Alex Davern, CEO  
Eric Starkloff, President and COO  
NI General Managers

**Noon**  
Lunch and Customer Panel  
- Analog Devices, Bosch, and Spirent  
- How NI Enables Customer Innovation

Karen Rapp, CFO

**1:00 p.m.** Delivering Structurally Higher Profitability  
Q&A

**2:00 p.m.** Exhibit Hall Tours
Safe Harbor Warning

During today's presentations, we will make projections or other forward-looking statements regarding the future financial performance of the company or future events, including some or all of the following: our strategic goals, objectives, plans, focus, priorities, vision, future growth and profitability, operating leverage, target operating model, market growth opportunities and trends, growth goals (including in the semiconductor, transportation, and aerospace, defense and government industries), capital allocation priorities, marketing strategy, product features and performance, planned investment areas, guidance, and the effect of foreign exchange on our business. We wish to caution you that such statements are just predictions and that actual events or results may differ materially. We refer you to the documents the company files regularly with the Securities and Exchange Commission, specifically the company's Form 10-K filed on February 21, 2019 and most recent Form 10-Q filed on May 1, 2019. These documents contain and identify important factors that could cause our actual results to differ materially from those contained in our projections or forward-looking statements.

Non-GAAP Information

In certain of today's presentations, we have included certain non-GAAP financial results with respect to some or all of the following items: revenue, gross margin, research and development and other operating expenses, operating margin, operating income, net income, and diluted EPS. Our non-GAAP results exclude, as applicable, the impact of stock-based compensation, amortization of acquisition-related intangibles, acquisition-related transaction costs, taxes levied on the transfer of acquired intellectual property, foreign exchange loss on acquisitions, acquisition accounting for deferred revenue, impairment of minority cost basis investments, restructuring charges, tax reform charges, and capitalization and amortization of internally developed software costs. Note that beginning with its non-GAAP results for the three months ended June 30, 2018, NI has been excluding the net effects of capitalization and amortization of software development costs from its non-GAAP operating results, along with its previously excluded non-GAAP items. We have included reconciliations of our GAAP results to our non-GAAP results on our website at ni.com/nati. For periods prior to March 31, 2005, our non-GAAP results are the same as our GAAP results.
Positioning NI for Long-Term Growth

Alex Davern
CEO
RESULTS

CURRENT MARKET DYNAMICS

POSITIONING NI FOR LONG TERM GROWTH
NI at a Glance
Long-Term Track Record of Growth

$1.36 BILLION REVENUE IN 2018
35,000+ CUSTOMERS WORLDWIDE
CONTINUED INVESTMENT IN R&D

Revenue in Millions USD

$0 $200 $400 $600 $800 $1,000 $1,200 $1,400

'95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18
2018 Record Revenue

Revenue Growth in 2 Years

$1,228  $1,289  $1,359
2016  2017  2018

Revenue in Millions

A reconciliation of non-GAAP net income to GAAP net income is available at ni.com/nati.

2018 Record Non-GAAP Net Income

Non-GAAP Net Income Improvement in 2 Years

$111  $147  $208
2016  2017  2018

Non-GAAP Net Income in Millions
“From Focus Comes Growth”
RESULTS

CURRENT MARKET DYNAMICS

POSITIONING NI FOR LONG TERM GROWTH
Research, Design, and Simulation

Validation and Characterization

Production Test
Select T&M Company Revenue History

- NATI
- Anritsu T&M
- Rohde & Schwarz
- Fortive PI
- Anite
- Keysight (excl Ixia)

All data from Capital IQ except:
- Fortive: 2000 & 2001 (NI estimates); 2018 excludes NI estimates for acquisitions made in 2017 and 2018
- Anritsu: 2000-2002 (NI estimates)
- Keysight includes historical data from Agilent segment reporting
- Fortive includes historical data from Danaher segment reporting
RESULTS

CURRENT MARKET DYNAMICS

POSITIONING NI FOR LONG TERM GROWTH
Key Objectives

4-7% Faster YOY Revenue Growth

18% Through the Cycle

OUTPERFORM THE COMPETITION

INCREASE NON-GAAP OPERATING MARGINS

A reconciliation of Non-GAAP operating income and operating margin to GAAP operating income and operating margin is available at ni.com/nati.
Strategic Accelerators via M&A

GOAL OF 4-7% Faster Than the Market

- Profitable Growth
- Gross Margin
- Structural Cost Improvement
- Margin Expansion
- Cash

GOAL OF 18% Operating Margin Through the Economic Cycle (Non-GAAP)

- New Core Strategic Vision to Expand SAM
- Sales Channel Evolution
- Industry Alignment
- R&D Alignment
- Strategic Accelerators via M&A
New Core Strategic Vision to Expand SAM

To Be the Leader in Software-Defined Automated Test and Automated Measurement Systems

Deliver value that gives our customers a competitive advantage.

Provide a differentiated platform for software-defined automated test and automated measurement systems.

Focus on customer segments that benefit from our platform’s disruptive capabilities.

Add system-level offerings to more fully meet customers’ enterprise-wide challenges.
Sales Channel Evolution

**TIER 1 ACCOUNTS** | ~100 Accounts
---

Account-Based Model
Build Partnerships With High-Potential Accounts

**TIER 2 ACCOUNTS** | ~5,000 Accounts
---

Account-Based Model
Generate Demand in Target Customer Segments

**TIER 3 ACCOUNTS** | ~30,000 Accounts
---

Geography-Based Model
Serve Customer Requests and Prioritize Digital

Percentages of 2018 Annual Revenue
## Industry Alignment

<table>
<thead>
<tr>
<th>Industry</th>
<th>Growth Goal</th>
<th>NI 3 Year CAGR</th>
<th>Order Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductor</td>
<td>10 - 15%</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>10 - 12%</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Aerospace, Defense, and Government</td>
<td>6 - 9%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Portfolio (All Other Industries)</td>
<td>5 - 6%</td>
<td>2%</td>
<td></td>
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</tbody>
</table>
Using Our Platform to Create a Battery Test System

General-Purpose Platform Products

PXI  +  FPGA-Enabled I/O  +  LabVIEW®, NI TestStand®, SystemLink®

Test and Data Management Software
NI Battery Test System

Capture more of the system value

Scale from one-off wins to repeatable system deployments

Allows partners to focus on value-added integration

Increase penetration of battery validation opportunities
Industry Offerings That Highly Leverage NI’s Platform

- Semiconductor
- Transportation
- Aerospace, Defense, and Government
- Portfolio

NI Platform
M&A Strategy to Accelerate Growth

- Accelerate Platform Completion in Focus Applications
- Expand Channel Reach and Solution Delivery
- Differentiated IP to Increase Differentiation
Example: Transportation M&A

Platform Completion

Full Acquisition:
Power electronics for EV validation

Channel and Solutioning

Joint Venture (pending regulatory approval):
Build, deliver, and service pre-integrated automotive HIL systems for NI partner ecosystem and ETAS
Positioning NI for Long-Term Growth

- New core strategic vision for SAM expansion
- Reorientation of sales channel for deeper account relationships
- Focus on key industries to accelerate growth
- Strategic technology accelerators through M&A
**2018 Record Revenue**

- **$131M**
- **Revenue Growth in 2 Years**

<table>
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<tr>
<th>Year</th>
<th>Revenue in Millions</th>
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**2018 Record Non-GAAP Net Income**

- **87%**
- **Non-GAAP Net Income Improvement in 2 Years**

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A reconciliation of non-GAAP net income to GAAP net income is available at ni.com/nati.
Leveraging Our Software Differentiation for Growth

Eric Starkloff
President and COO
Our Customers’ Challenges Are Growing More Complex and More Software Centric

Integrated 5G RF Front End

- > 20X the bands and channels
- 1 Chip digital to RF
- Software Algorithms for correction and power tracking

Advanced Driver Assistance Systems (ADAS)

- > 2.7X ADAS sensor revenue by 2022
- 15% CAGR Software content in cars increasing
- 100M+ Lines of code in modern cars
Increased Automation is Required Across the Design Flow

Research, Design, and Simulation

Validation and Characterization

Production Test
NI | Addressing Customer Challenges

- Build on our industry-leading, software-centric platform
- Focus on applications that most benefit from our technology
- Create system-level offerings with high growth potential
A Comprehensive Software Platform

>$1B total cumulative software investment

**Extensive connectivity**
- Connection to 1,000+ NI hardware I/O devices
- Connection to 10,000+ third-party instrument drivers

**Wide adoption**
- 100,000+ active software users
- Partner ecosystem with 1,000+ companies

**Sustained platform investment**
- 30+ years of LabVIEW
- Large, continuous investment in driver software
- Leverage to other application software

NI SystemLink
Distributed System Management, Software Deployment, Package Repository, Test Monitoring

NI TestStand and NI VeriStand
Sequencing, Test Management, Test Deployment

LabVIEW
Measurement Analysis and UI Design

NI InstrumentStudio, NI Measurement Studio, or NI LabWindows/CVI

Third-Party SW
C, C++, C#, .NET, Python, MATLAB

Instrument Drivers
Programming Interfaces for Instrumentation and Measurement I/O

Measurement Algorithms
Synchronization
Data Streaming

Advanced Sequencing
FPGA and Real-Time Algorithms
Calibration and Correction

1,000+ NI Platform I/O Modules and 10,000+ Third-Party Instrument Drivers
“NI was ‘5G ready’ at the time we needed to ramp production of our 5G transceiver products, making STS a natural fit.”

—Mike O’Sullivan, GM of Linear Products at Analog Devices

Common platform from design to test
Smaller production footprint
Improved tester reliability

NI SystemLink
Distributed System Management, Software Deployment, Package Repository, Test Monitoring

NI TestStand and NI VeriStand
Sequencing, Test Management, Test Deployment

LabVIEW
Measurement Analysis and UI Design

NI InstrumentStudio, NI Measurement Studio, or NI LabWindows/CVI
Third-Party SW
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Instrument Drivers
Programming Interfaces for Instrumentation and Measurement I/O

Measurement Algorithms
Synchronization
Data Streaming

Advanced Sequencing
FPGA and Real-Time Algorithms
Calibration and Correction

1,000+ NI Platform I/O Modules and 10,000+ Third-Party Instrument Drivers

Common platform from design to test
Smaller production footprint
Improved tester reliability
Business Impact of the NI Platform

“Without NI’s platform, we would not have been able to meet our 5G release timelines.”
—Ben Thomas, Director of 5G Business Development at Qorvo

Highly automated validation
Reduced test time
Shorter time to market
“We have standardized on NI’s PXI platform across all of our vision projects. The platform is utilized in both the development and validation of new technologies.”

—Chris Forristal, HIL and Automation Team Manager at Valeo

**Common tester from validation to production**

- 50% less development time
- 90% hardware and software reuse
“NI’s platform allows us to stay on the aggressive timelines that we have set for ourselves. It gives us the agility to innovate rapidly and adapt quickly.”

—Omar Mussa, Avionics Lead Test Engineer at Virgin Orbit

Complete electronic and digital twin
Shorter development time
Rapid innovation
Deliberate Investments to Strengthen Our Software Advantage

2018 Performance
- Record software revenue, +12% YOY growth
- Record software seats, +7% YOY growth

Investment Priorities
- Transitioning from major next-generation software platform investment
- Redeploying investments into vertical and enterprise software aligned to business units

Overall Application Software Investment
% Next-Generation Software Platform Investment

- FlexLogger
- InsightCM
- SystemLink
- Data Management Suite
- InstrumentStudio
Addressing Customer Challenges

- Build on our industry-leading, software-centric platform
- Focus on applications that most benefit from our technology
- Create system-level offerings with high growth potential
5G is a technology inflection, not a market

- 5G prototyping market opportunity
- 5G semiconductor test market opportunity
- IoT
- Automotive
- Consumer Electronics

Downstream applications influenced by 5G adoption
NI Position in Sub-6 GHz 5G
Automated Validation and Production Test

“Skyworks is pleased to be utilizing NI’s RF VST to validate the performance of our Sky5™ solutions for 5G NR applications.”
—Kevin Walsh, Skyworks

“The wide bandwidth, excellent RF performance, and the flexibility of NI’s PXI test system were critical in helping us introduce the industry’s first commercially available 5G FEM.”
—Paul Cooper, Qorvo

“The main reason we chose the NI STS was that it allows us to grow our volume shipments to meet our customers’ demands beyond volumes normally seen within the RF power business… So far, we’ve been able to double our throughput.”
—Eric Westberg, NXP

“The flexibility of STS has been particularly important for new technologies like our sub-6 GHz transceivers that are already being deployed in 5G infrastructure equipment.”
—Yusuf Jamal, Analog Devices
NI Introduces Solution for mmWave 5G Test

New mmWave Vector Signal Transceiver reduces the cost and risk of testing 5G NR devices

- Identical instrumentation in validation and production test
- Correlation benefits that reduce time to market
- Strong collaboration with industry partners and customers to reduce risk
- Flexible architecture that future-proofs against the need to support additional mmWave bands

5G mmWave
Validation Test System
5G | Semi Focus With Downstream Opportunities

5G prototyping market opportunity ➔ 5G semiconductor test market opportunity ➔

IoT ➔ Automotive ➔ Consumer Electronics

Downstream applications influenced by 5G adoption
Addressing Customer Challenges

- Build on our industry-leading, software-centric platform
- Focus on applications that most benefit from our technology
- Create system-level offerings with high growth potential
2018 | Moving Up the Value Chain With Systems Focus

10% 10 YR CAGR
Revenue from Orders Over $20k
Larger Orders Continue to Drive Growth

- Orders >$20K
- Orders <$20K

Global manufacturing PMI
Industry Offerings That Highly Leverage NI’s Platform

- Semiconductor
- Transportation
- Aerospace, Defense, and Government
- Portfolio

NI Platform
Semiconductor Market Dynamics

Increasing complexity and time-to-market pressures create a need for more automation and better continuity of lab and production test platforms.

CUSTOMER CHALLENGES

- Increased complexity (SoC, SiP, etc.)
- Shorter design cycles and time to market
- Pressure to reduce operational costs
Semiconductor | Where We Win

FOCUSED APPLICATIONS

- RF/wireless (including 5G)
- Optoelectronics production test
- Mixed-signal validation test

PLATFORM ADVANTAGES

- Common platform from lab to production
- Automation and standardization for lab test
- High measurement speed to help lower cost of test
- Small footprint
Platform to Create a Differentiated Semiconductor ATE System

<table>
<thead>
<tr>
<th>General-Purpose Platform Products</th>
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<tbody>
<tr>
<td>[Image: PXI]</td>
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<tr>
<td>Test and Data Management Software</td>
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</table>
NI’s Unique Approach for Semiconductor Automation

Automated Validation Lab

Same Platform
(Software + Hardware)

Automated Production Test
Our Platform-based Approach Opens New Opportunities

STS – Semiconductor Production Test
Semiconductor Growth Opportunity

$1.6B
Market Size

6%
Market Growth

10-15%
NI Growth Goal

18%
NI 3-Year CAGR

Order Mix

GROWTH OPPORTUNITY

Market Growth ................................................................. 6%
Subsegment Growth Goal ................................................. +2%
Growth Goal from Share Gains ......................................... +2 to +7%

2019-2021 NI Growth Goal ................................................. 10-15%

Sources: IC Insights and NI estimates
Chad Chesney
Vice President and General Manager
Transportation
Transportation | Market Dynamics

The rapid innovation in electrification and safety systems is creating new test challenges to improve safety, maintain reliability, and reduce test costs.

CUSTOMER CHALLENGES

- Increasing test complexity and limited operating expense budgets
- High-performance, real-time data collection and processing
- Distributed systems maintenance and monitoring
- Simulation of vehicle sensors, software, and surrounding environment
Transportation Where We Win

FOCUSED APPLICATIONS

- Electric vehicle component validation
- ECU production test
- ADAS component validation and production test

PLATFORM ADVANTAGES

- Real-time software
- Ability to connect to many I/O types and sensors
- Flexibility to update system quickly
- High-performance and modern system management tools
Using Our Platform to Create a Battery Test System

General-Purpose Platform Products

NI PXI
+ FPGA-Enabled I/O
+ LabVIEW®
+ NI TestStand®
+ SystemLink®

Test and Data Management Software
NI Battery Test System

Capture more of the system value

Scale from one-off wins to repeatable system deployments

Allows partners to focus on value-added integration

Increase penetration of battery validation opportunities
### Transportation Growth Opportunity

<table>
<thead>
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<th><strong>Market Size</strong></th>
<th><strong>Market Growth</strong></th>
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<tr>
<td>$1.7B</td>
<td>3%</td>
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<tr>
<th><strong>NI Growth Goal</strong></th>
<th><strong>NI 3-Year CAGR</strong></th>
<th><strong>Order Mix</strong></th>
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<td>10-12%</td>
<td>9%</td>
<td>&gt; $20k</td>
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<th><strong>GROWTH OPPORTUNITY</strong></th>
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<td>Market Growth</td>
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<td>Growth Goal from Share Gains</td>
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<td>2019-2021 NI Growth Goal</td>
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</table>

Sources: Yole, Wood Mackenzie, Strategy Analytics, Frost and Sullivan, and NI Estimates
Luke Schreier
Vice President and General Manager
Aerospace, Defense, and Government
Aero/Def/Govt Market Dynamics

Increased passenger travel, electrification, and mandates for navigation/surveillance are driving new demand in commercial aerospace. Unstable geopolitical conditions and renewed space races increase investment in public and private sectors.

CUSTOMER CHALLENGES

- Extended platform life cycles amplify obsolescence management issues
- Electrification increases the complexity of embedded software validation
- Sensor fusion and cognitive systems challenge status quo test approaches
- Aging workforce creates domain and systems expertise vacuum
Aero/Def/Govt | Where We Win

FOCUSED APPLICATIONS

➢ Electric/electromech systems production/depot test
➢ Flight/system controller validation
➢ Radar/electronic warfare (EW) systems validation
➢ Comms, radar, and EW research/prototyping

PLATFORM ADVANTAGES

➢ Widely adopted, complete software stack for ATE
➢ Closed-loop systems with software, FPGAs, and high-performance I/O
➢ PXI is the industry standard for modular instrumentation
Using Our Platform to Create an Aerospace ATE System

General-Purpose Platform Products

PXI + FPGA-Enabled I/O + LabVIEW, NI TestStand, SystemLink

Test and Data Management Software
Aero/Def/Govt Growth Opportunity

- Market Size: $1.5B
- Market Growth: 3%

6-9% NI Growth Goal
3% NI 3-Year CAGR

GROWTH OPPORTUNITY

Market Growth: 3%
Subsegment Growth Goal: +2%
Growth Goal from Share Gains: +1 to +4%

2019-2021 NI Growth Goal: 6-9%

Sources: Deloitte, IHS Markit, US Department of Operational Test and Evaluation Annual Report, and NI Assessments
Ajit Gokhale
Senior Vice President and General Manager
Portfolio
Portfolio | Market Dynamics

Offer a high-performance automated test and automated measurement platform efficiently integrated to deliver solutions to broad-end markets, driving scale and reuse while leveraging megatrends.

CUSTOMER CHALLENGES

- Lower cost of test
- Shorter design cycles
- Limited development resources
- Expectations for shorter time to market
- Race to establish new 5G standards
- Centralized data
Portfolio | Where We Win

FOCUSED APPLICATIONS

- Research and teaching
- Validation test
- Production test
- Maintenance and monitoring

PLATFORM ADVANTAGES

- Reduced test time
- Customization
- System and data management
- Flexibility to address any engineering challenge
- Software to create customer-defined, application-specific systems
Using Our Platform to Drive Discovery in Academic Research

<table>
<thead>
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<th>NI Service and Support</th>
<th>Ecosystem</th>
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<tbody>
<tr>
<td>Technical Support and Training</td>
<td>Industry-Standard IP</td>
</tr>
<tr>
<td>Repair and Calibration</td>
<td>Open Application Frameworks</td>
</tr>
<tr>
<td>Installation and Bring-Up</td>
<td>System Integration</td>
</tr>
<tr>
<td>Research Grant Program</td>
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Products Designed for Software Defined Radio

- **USRP** + **FPGA-Enabled I/O** + **LabVIEW Communications** + **App Frameworks**
  - **Software**

General-Purpose Platform Products

- **PXI** + **CompactRIO** + **FPGA-Enabled I/O** + **LabVIEW** + **SystemLink**
  - **Test and Data Management Software**
## Portfolio Growth Opportunity

<table>
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<tr>
<th><strong>Market Size</strong></th>
<th><strong>$5B</strong></th>
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<tbody>
<tr>
<td><strong>Market Growth</strong></td>
<td><strong>2-3%</strong></td>
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<tr>
<th><strong>NI Growth Goal</strong></th>
<th><strong>5-6%</strong></th>
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<tbody>
<tr>
<td><strong>NI 3-Year CAGR</strong></td>
<td><strong>2%</strong></td>
</tr>
</tbody>
</table>

### GROWTH OPPORTUNITY

- **Market Growth**: 2-3%
- **Subsegment Growth Goal**: 1%
- **Growth Goal from Share Gains**: 1-2%

*Order Mix*
- > $20k
- < $20k

2019-2021 NI Growth Goal: **5-6%**

*Academic, Consumer Electronics, Electrical Equipment, Energy, and Other*
Q&A
## Focus to Deliver Growth

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Goal of 4-7% Faster Than the Competition
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NI | Long-Term Stockholder Value

- Positioning NI for long-term GROWTH
- Executing to PROFITABILITY goals
- Disciplined RETURN to shareholders

Structurally scaled for growth
Profitable Growth

Gross Margin

Structural Cost Improvement

Margin Expansion

Cash

GOAL OF 18%

Operating Margin Through the Economic Cycle (Non-GAAP)

$131M
Revenue Growth in 2 Years

2016 2017 2018
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Revenue in Millions

87%
Non-GAAP Net Income Improvement in 2 Years

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Non-GAAP Net Income in Millions

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Moving Up the Value Chain With Systems Growth

Gross Margin (Non-GAAP)

- GOAL OF 18% Operating Margin Through the Economic Cycle (Non-GAAP)
- Profitable Growth
- Gross Margin
- Structural Cost Improvement
- Margin Expansion
- Cash

Moving Up the Value Chain

- Orders <$20K
- Orders >$20K

- ~100 basis point improvement
- Leveraging R&D to add value

A reconciliation of Non-GAAP gross margin to GAAP gross margin is available at ni.com/nati
GOAL OF 18%
Operating Margin Through the Economic Cycle (Non-GAAP)

Profitable Growth
Gross Margin
Structural Cost Improvement
Margin Expansion
Cash

Sales Evolution
Centers of Excellence and Shared Service Centers
Compensation Structure
+ Continued opportunity

Headcount

<table>
<thead>
<tr>
<th>Year</th>
<th>Emerging Countries</th>
<th>Developed Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

Emerging Countries
Developed Countries
Operating Margin Through the Economic Cycle (Non-GAAP)

Profitable Growth

Gross Margin

Structural Cost Improvement

Margin Expansion

Cash

Goal of 18%

Executing to Our Model, Non-GAAP Operating Margin

<table>
<thead>
<tr>
<th>Date</th>
<th>PMI</th>
<th>Non-GAAP Net Income as a % of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 '16</td>
<td>50.5</td>
<td>6%</td>
</tr>
<tr>
<td>Q1 '17</td>
<td>52.9</td>
<td>8%</td>
</tr>
<tr>
<td>Q1 '18</td>
<td>54.0</td>
<td>10%</td>
</tr>
<tr>
<td>Q1 '19</td>
<td>50.7</td>
<td>13%</td>
</tr>
</tbody>
</table>

Well positioned to execute to goal

A reconciliation of Non-GAAP operating income and net income to GAAP operating income and net income is available at ni.com/nati
Exceeded 2018 Flow-Through Model (NIWeek May 2018)

Operating Model 2018

<table>
<thead>
<tr>
<th>0% Rev Growth</th>
<th>5% Rev Growth</th>
<th>10% Rev Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>0%</td>
<td>50-60%</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flow-Through</td>
<td>Actual Result = 90%</td>
<td></td>
</tr>
</tbody>
</table>

Access to cash, no debt, solid flow-through
## 2019 & 2020 Non-GAAP Operating Model*

Non-GAAP Operating Margin Goal of 18% Through the Economic Cycle

<table>
<thead>
<tr>
<th>Revenue Growth Scenarios</th>
<th>0% Growth</th>
<th>5% Growth</th>
<th>10% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense Growth</td>
<td>0%</td>
<td>2–3%</td>
<td>4–5%</td>
</tr>
<tr>
<td>Non-GAAP Operating Income Flow-Through</td>
<td>0%</td>
<td>45–50%</td>
<td>50–55%</td>
</tr>
</tbody>
</table>

*This represents NI management’s current planning as of May 21, 2019, given each revenue growth scenario.
### Disciplined and Consistent Capital Allocation Priorities

**Purpose**

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Deployed Capital $3.5B</th>
<th>2009–2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return Capital to Investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return Capital to Investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Acquisitions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D Investment</td>
<td></td>
<td>$2.3B</td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
<td>$772M</td>
</tr>
<tr>
<td>Share Repurchase</td>
<td></td>
<td>$157M</td>
</tr>
<tr>
<td>Acquisitions</td>
<td></td>
<td>$235M</td>
</tr>
</tbody>
</table>

Objective of Long-Term, Sustainable Value for Investors
Consistent Return of Cash Through Dividends

Any future dividends are subject to approval and declaration of our Board of Directors.

2019 YTD annualized run rate $1.00 per share
Key Objectives

OUTPERFORM THE COMPETITION

4-7% Faster YOY Revenue Growth

INCREASE NON-GAAP OPERATING MARGINS

18% Through the Cycle
NI | Long-Term Stockholder Value

- Positioning NI for long-term GROWTH
- Executing to PROFITABILITY goals
- Disciplined RETURN to shareholders

Structurally scaled for growth