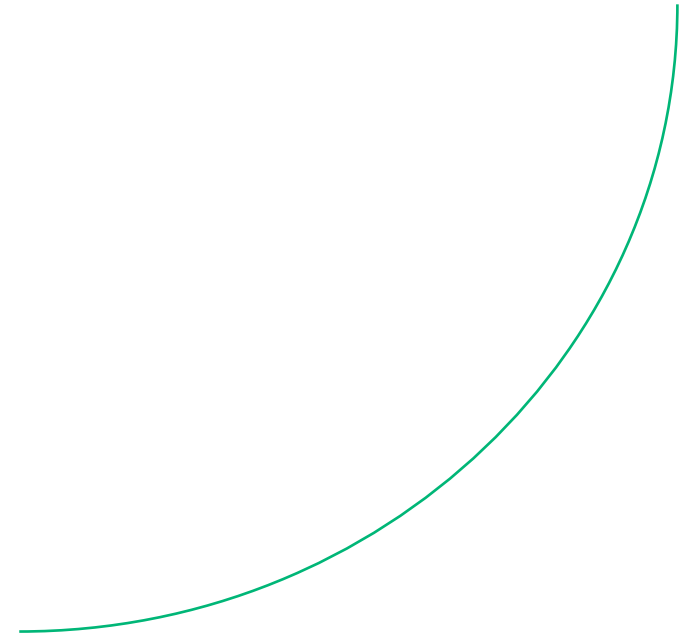




NATI

Q4 2021 Investor Presentation



ni 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, value proposition, goals, priorities, anticipated revenues, anticipated demand, growth opportunities, customer needs, momentum, 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, earnings, and tax rates 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 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; cyber-attacks; the dependency of our product revenue on certain industries and the risk of contractions in such industries; fluctuations in demand for our products including orders from our large customers; 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; component shortages; 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 and technical personnel; the 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 ability to achieve the benefits of employee restructuring plans; our exposure to large orders; our ability to effectively manage our operating expenses and meet budget; expense overruns; manufacturing inefficiencies and the level of capacity utilization; 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; adverse effects of price changes; and changes in accounting principles. The company directs readers to its Form 10-K for the year ended December 31, 2020, 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 January 27, 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.

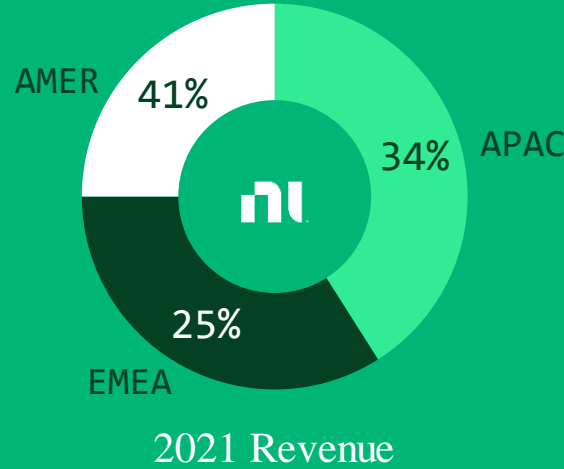
Non-GAAP Information

In today's presentation, we have included certain non-GAAP financial measures, including revenue, gross margin, research and development and other operating expenses, earnings per share, operating margin, operating income, and tax rate. 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 loss on acquisitions, restructuring charges, tax reform charges, disposal gains on buildings and related charitable contributions, tax effects related to businesses held for sale, gain on sale of businesses, 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. Non-GAAP financial measures are not meant as a substitute for GAAP results but are included because management believes such measures are useful to our investors for informational and comparative purposes. In addition, these non-GAAP financial measures are used internally by management to evaluate and manage the company. These non-GAAP financial measures used by us may differ from that used by other companies. These non-GAAP financial 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

35,000+

CUSTOMERS
WORLDWIDE



40+

COUNTRIES WITH
NI OPERATIONS



HEADQUARTERS
AUSTIN, TEXAS

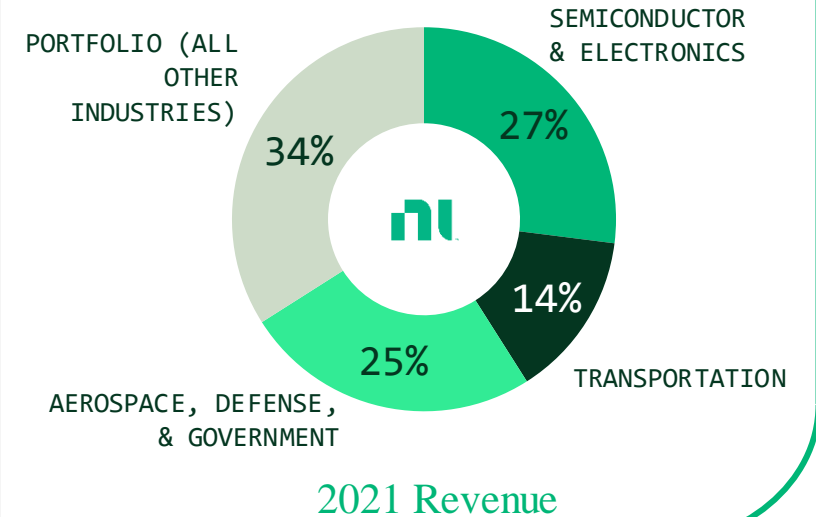


~7,000
GLOBAL EMPLOYEES








SOFTWARE AND RELATED SERVICES
21% OF TOTAL REVENUE

CUSTOMER PROFILE
70% DIRECT
30% BROAD-BASED



Strategic Priorities Fueling Growth and Profitability

Momentum Continues into 2022

	Focus	Proof Points
	Software	<p>Drive new long-term opportunities through software and product analytics</p> <p>O+/SystemLink expand analytics cloud offerings Software & related services = 21% of total revenue</p>
	Systems	<p>Deliver higher level systems and services in industry inflections</p> <p>High customer demand with 2021 revenue up 21% for SEBU, up 27% TBU, and 8% ADG YOY</p>
	Broad-based	<p>Increase leverage and scale while also expanding customer reach</p> <p>ni.com orders up 44% YOY in 2021 Exceeding expectations with global distribution</p>
	Inorganic Investment	<p>Enhance technology capabilities and expertise in megatrends and software</p> <p>Expect NH Research and Heinzinger to add ~4% of revenue in electrification in 2022</p>
	Cost Structure	<p>Better align resources to critical needs of our growth strategy</p> <p>35% improvement in Non-GAAP operating income and Non-GAAP EPS YOY</p>



Focus on Industry Inflections Drives Growth Ahead of Macro Indicators

Semiconductor and Electronics



MOBILE



WIFI

10-15% REVENUE CAGR GOAL
2020-2023

FY21: UP 21%

Transportation



EV



ADAS

10-12% REVENUE CAGR GOAL
2020-2023

FY21: UP 27%

Aerospace, Defense, & Government



COGNITIVE SYSTEMS



NEW SPACE

6-9% REVENUE CAGR GOAL
2020-2023

FY21: UP 8%



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
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MASS MARKET OFFERINGS



MORE VALUE THROUGH SOFTWARE



HIGH GROWTH VERTICAL SEGMENTS



STREAMLINE TO BUY

5-6% REVENUE CAGR GOAL 2020-2023

FY21: UP 10%

←————— DIGITAL TRANSFORMATION —————→



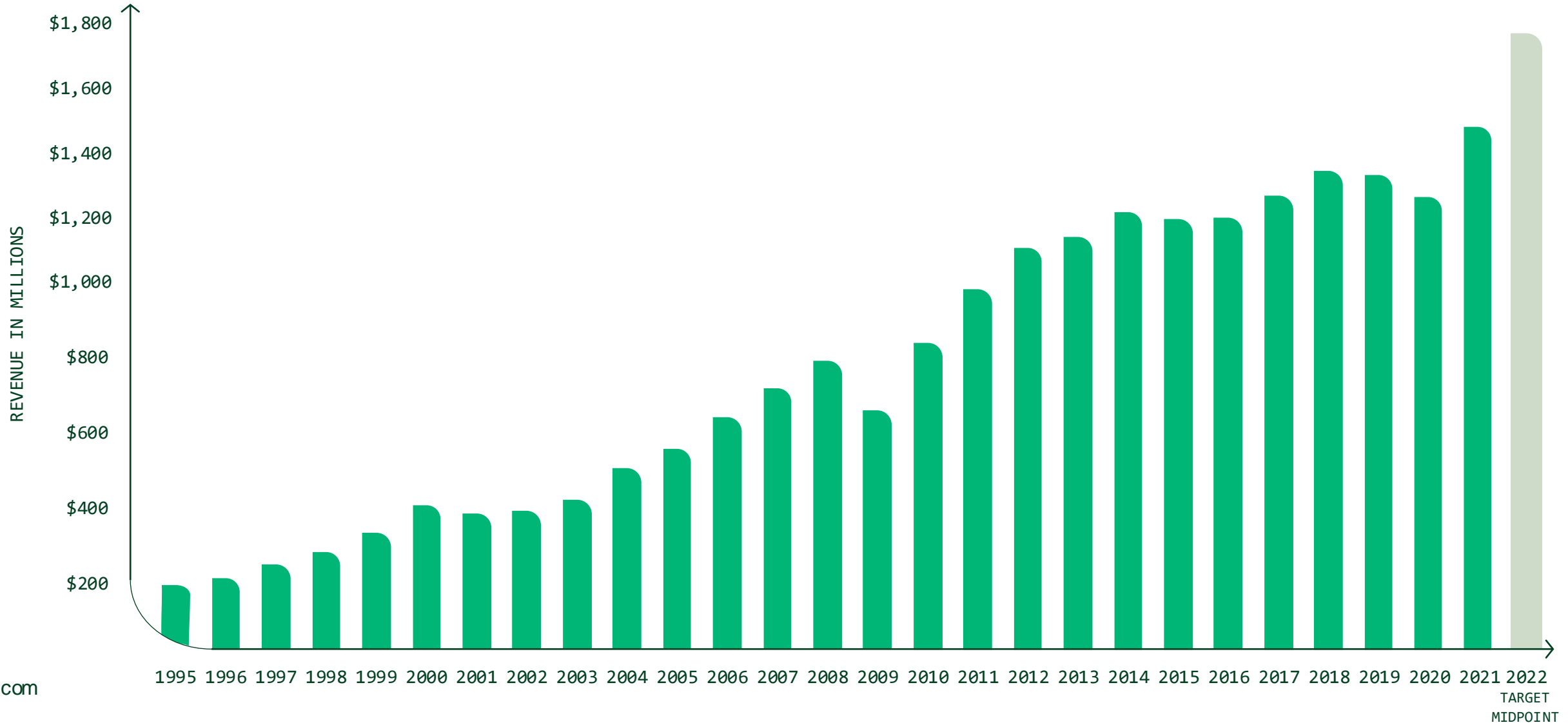
Tracking Ahead of our Non-GAAP Financial Model

	2020		2021		2022 Target		2023 Model
Revenue	\$1.3B	→	\$1.5B 14% YoY	→	16-18% YOY	→	9% CAGR 2020-2023
Gross Margin	75%	→	75%	→		→	75%
R&D Spend as % of Revenue	20%	→	21%	→		→	19-20%
SG&A Spend as % of Revenue	39%	→	35%	→		→	35-36%
Operating Margin	16%	→	19%	→	20%+	→	20%

See ni.com/nati for information related to reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure.



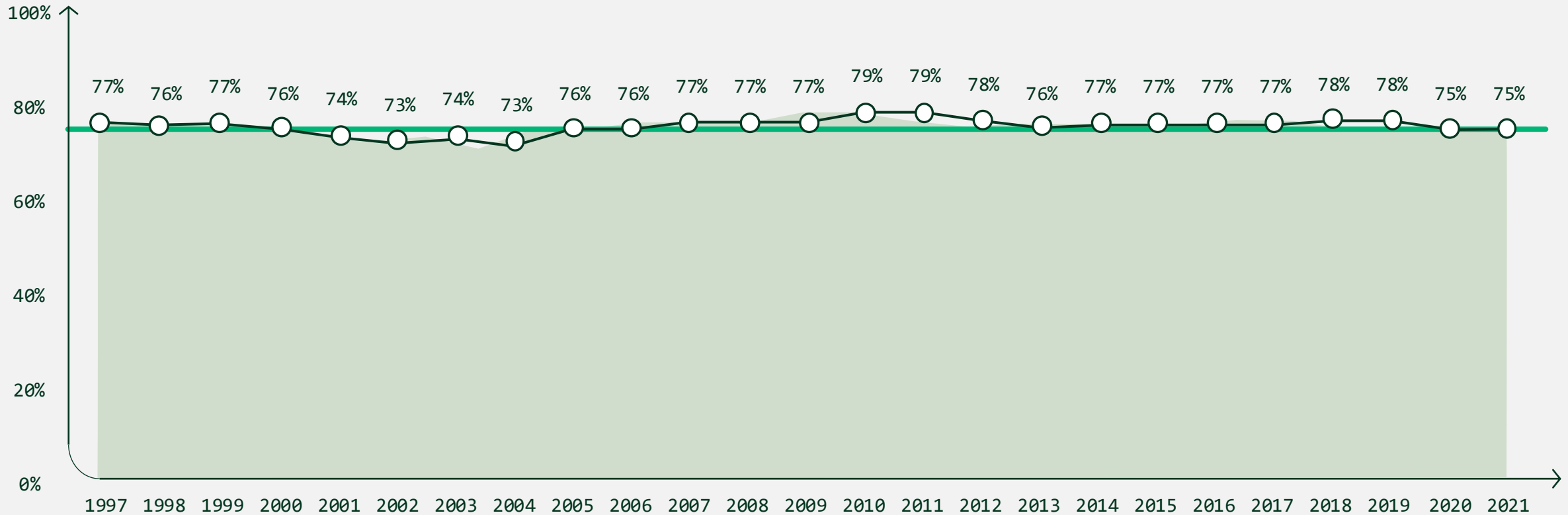
Long-Term Track Record of Growth





Consistently Providing Value Through Unique Software-Connected Customizable Solutions

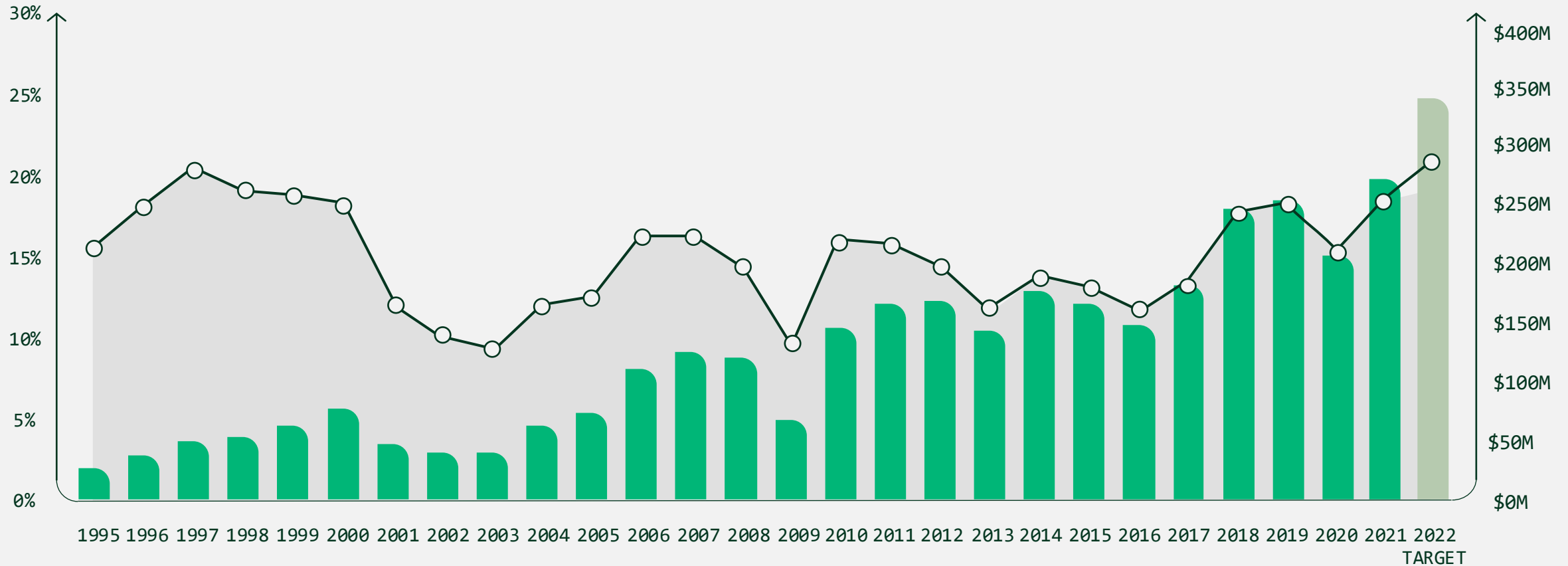
High Non-GAAP Gross Margins, Averaging 76% Over Last 25 Years



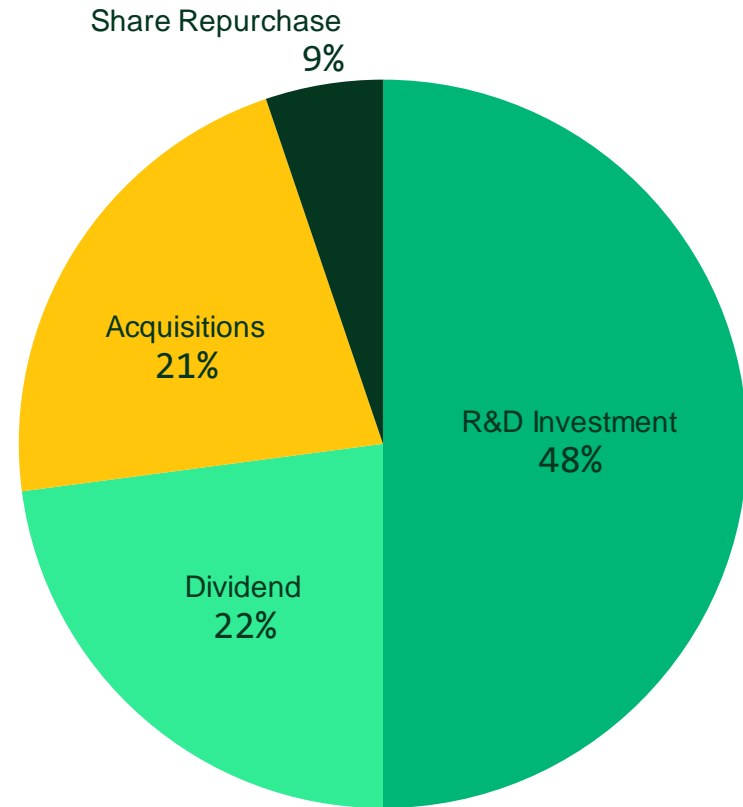


Expanding Non-GAAP Operating Margin

Driving Scale in Operations Through Standardization, Simplification, and Automation



—○— NON-GAAP OPERATING INCOME AS PERCENT OF REVENUE ■ NON-GAAP OPERATING INCOME



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 Q4 2021 with \$211M in cash and short-term investments

Cash Priorities

Organic growth through R&D

Growth acceleration through inorganic investments

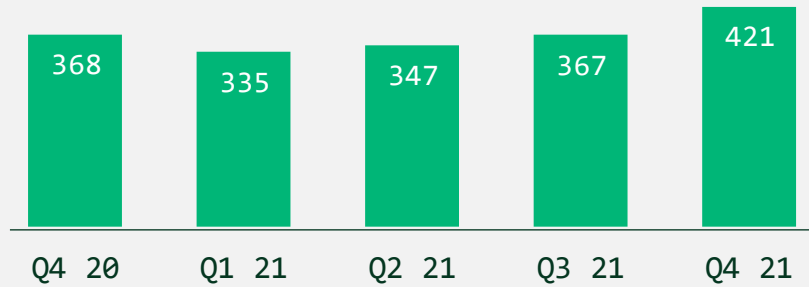
Return capital through dividend

Reduce dilution with share repurchase

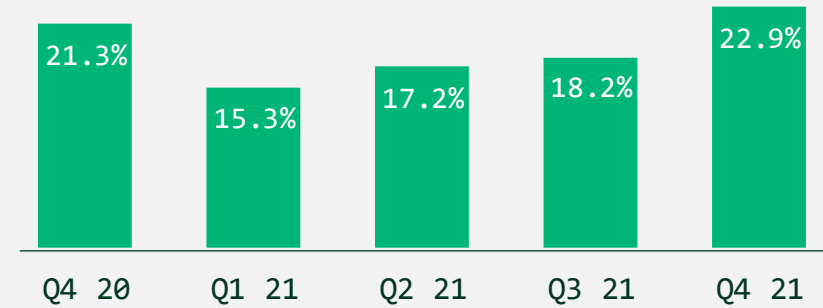


Quarterly Business Trends

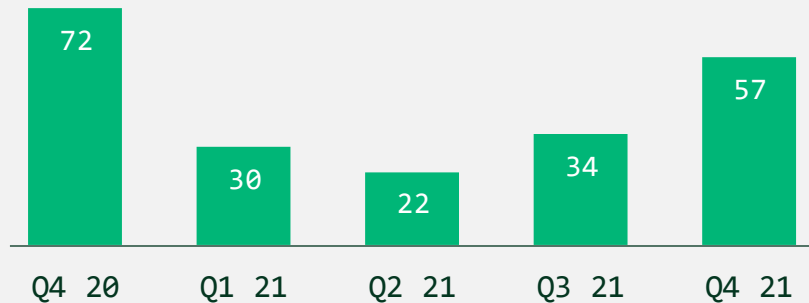
Revenue in Millions



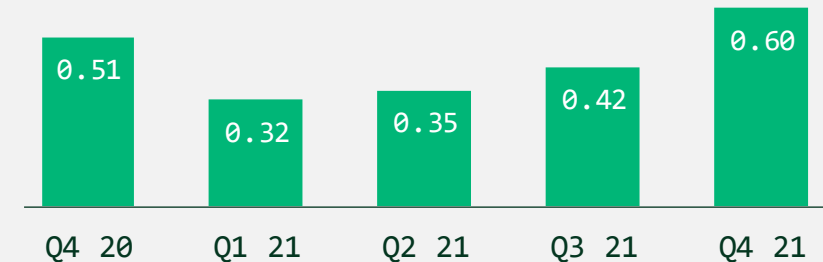
Non-GAAP Operating Margin



CFFO



Non-GAAP EPS





2021 represents
an inflection
of performance
for NI

YE 2021 Financial Summary

All-time record orders of \$1,634M, up 24% YOY

All-time record revenue of \$1,470 million, up 14% YOY

Record Non-GAAP operating income, up 35% YOY

Record Non-GAAP EPS up 35% YOY

Software and related services represents 21% of total revenue

Q1 2022 Guidance

- Revenue \$385 million to \$415 million, up 19% YOY at the midpoint
- GAAP EPS of \$0.13 to \$0.27
- Non-GAAP EPS of \$0.35 to \$0.49, up 31% YOY at the midpoint

Investment Thesis



Unique Business Model for Growth

Differentiated Software-Connected Systems Combined with Investment in Data Analytics Enhances Value of Test to Our Customers and Expands SAM



Driving Profit

Leveraging R&D for Application Specific Differentiation. Creating Deeper Customer Connections while Driving Efficiency through Scale.



Strong Balance Sheet and Cash Flow

Strong Cash Flow Generation Provides Flexibility to Fuel Organic Innovation and Fund Future Opportunities for Inorganic Strategic Acceleration

Significant Opportunity to Create Shareholder Value



National Instruments
is now NI.