2021

NATI
Investor Conference
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, future product offerings, anticipated financial condition, anticipated GAAP and non-GAAP financial targets, goals and expectations, 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,” 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 August 17, 2021 (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, 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.
Financial Summary

Accelerated demand serves us well to drive increased automation, connectivity, visibility and deliver R&D needed to meet customer needs.

All-time record revenue for a Q2, exceeding high-end of guidance

Record orders for a Q2, up 33% YOY

Double-digit order growth across all industries and all regions

Record Q2 non-GAAP operating income, up 38% YOY

Record 1H revenue and non-GAAP operating income

Entering the second half of 2021 with a very strong backlog position

Lead times remain competitive
Experienced Leadership
Focused on Delivering Shareholder Value
Eric Starkloff

PRESIDENT AND
CHIEF EXECUTIVE OFFICER
## Building on Our History

<table>
<thead>
<tr>
<th>NI HISTORICALLY</th>
<th>NI TODAY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Software</strong></td>
<td>Leading test development tool of LabVIEW</td>
</tr>
<tr>
<td><strong>Systems</strong></td>
<td>Systems built by customers and unique to every application</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>Equal support for all customers</td>
</tr>
<tr>
<td><strong>Streamlined buying process</strong></td>
<td>Same sales channel for all customer engagement</td>
</tr>
</tbody>
</table>
Diverse Business to Fuel Long-term Growth

40+ COUNTRIES WITH NI OPERATIONS

35,000+ CUSTOMERS WORLDWIDE

1H 2021 Revenue

ni.com
## Non-GAAP Target Financial Model

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A reconciliation of historical non-GAAP financial measures on this slide to the most directly comparable GAAP financial measure is available at ni.com/nati.
Industry Trends

- Increasing Role of Software
- Impact of Cloud/SaaS
- Changing Business Models
NI is Uniquely Positioned to Provide Data Insights
Leading with Software

Build on leading **test software** position for automated test across the product lifecycle

Enhance our software offering in **product analytics and system management** to deliver enterprise-level needs

Build on new monetization models to **increase recurring revenue**
Changing the Faces of Engineering

We envision a world where the racial, ethnic, cultural, and gender representation of engineers matches that of society.

Building an Equitable and Thriving Society

We envision a thriving society with fewer economic, racial, and gender inequities and greater wellbeing and prosperity for all.

Engineering a Healthy Planet

We envision a world where all industries and governments work together to protect and repair ecosystems and stabilize our climate by mitigating rising temperatures.
Ritu Favre

EXECUTIVE VICE PRESIDENT AND GM
SEMICONDUCTOR AND ELECTRONICS,
TRANSPORTATION, AND AEROSPACE,
DEFENSE, AND GOVERNMENT BUSINESS UNITS
NI’s Core Technologies **Accelerate Productivity, Innovation, and Discovery**

**NI’s Core Technologies Timeline:**
- **1980’s:** Instrument Control
- **1990’s:** Graphical Software
- **2000’s:** Modular Instruments
- **2010’s:** Software-Connected Systems
- **2020’s:** Data Analytics

**NI’s Core Technologies:**
- **INSTRUMENT CONTROL**
- **GRAPHICAL SOFTWARE**
- **MODULAR INSTRUMENTS**
- **SOFTWARE-CONNECTED SYSTEMS**
- **DATA ANALYTICS**
Megatrends Create Opportunities for Disruption

MEGATRENDS

5G

INDUSTRY

Semiconductor and Electronics

Transportation

Aerospace, Defense, and Government

TECHNOLOGY INFLECTION

5G and Beyond WiFi7 & UWB

ADAS/Autonomous Vehicles

Electric Vehicles

Cognitive Systems

Digital Transformation

New Space

SCALE OF OPPORTUNITY

$600M+

5G AND WIRELESS SAM BY 2023

50%

VEHICLES WITH L2 AUTONOMY BY 2030

20%

FORECASTED CAGR IN SMALL SATELLITE MARKET THROUGH 2025
5G Introduces Step Function in Device Complexity

5G MOBILE RF FEM TEST CASES

INCREASING COMPLEXITY

DETAILS COURTESY OF QORVO

5G Implications

8
NEW BANDS

5X
CARRIER BANDWIDTH

350%
CARRIER AGGREGATION COMBINATIONS

2X
UPLINK CHANNELS

2X
MORE WAVEFORMS

2X
MORE MODULATIONS
Wireless Roadmap will Drive Continued Technical Innovation Beyond 5G

CELLULAR COMMUNICATIONS

- 5G+/B5G Validation (example: FR2-2)
- 5G+/B5G Production
- 6G Validation
- 6G Production

2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

WIRELESS CONNECTIVITY

- 802.11ax (WiFi6)
- 802.11be (WiFi7)
- 802.11 Future (Wifi8)
- 802.15.4a (UWB)
- 802.15.4z (UWB-Z)
- Ultrawideband Future
Why We Win

Software enables customers to **accelerate innovation and reduce time to market** vs traditional tools
Unlike box instruments, modular hardware is upgradable to **meet current and future test requirements**
2X to 3X faster measurement speed lowers **manufacturing test cost**
Deep domain expertise in support and services **reduces customer risk of adopting new tools**
Data management and analytics **reduce the cost of quality** and provides a path to zero defects
TRADITIONAL LAB APPROACH

Slower
Large footprint
Difficult to synchronize
Inconsistent software APIs
Hard to correlate measurements

MODERN LAB APPROACH

Faster
Small footprint
Native synchronization
Consistent software experience
Correlation from lab to production

Software is Critical for the Modern Lab

Software frameworks
Modular instrumentation
Automated measurements
Code re-use across groups and sites
Partnerships Enhance Value Proposition
System Differentiation

**Services and Integration** Partners
Reduce Customer Risk
- Soliton
- Noffz
- Booster
- Cadence
- MathWorks
- Tokyo Electron
- Formfactor
- Reid-Ashman
  - and more

**System Completion** Partners
Enhance System Features
- Ansys
- Monodrive
- Konrad
- Seagate
- Opal-RT
- Triphase
- Noffz
- DMC
  - and more

**IP and Design Tool** Partners
Accelerate Customer Productivity
- MathWorks
- SET
- Tech180
- Elettronica
- Constelli
- Astronics
- Bloomy
- G Systems
  - and more

*Partners listed above are representative examples, NI has a network of over 1000+ partners.*
NI is Uniquely Positioned to Provide Data Insights

OUR VISION

Modular Integrated Systems

DESIGN AND ENGINEERING
- DESIGN
- VALIDATION

MANUFACTURING
- WAFER/CHIP
- BOARD
- MODULE
- PRODUCT

CUSTOMER
- IN USE
- RETURNS

DATA MANAGEMENT AND ANALYTICS INFRASTRUCTURE

ni.com
NI | ~$17B TAM, ~$8B SAM

$5.6B
Industry Focused BU’s

$2.1B
Portfolio BU

NI Well Positioned for SAM Expansion

$8B
SAM 2023

3 - 5%
SAM EXPANSION 2020-2023

~20%
NI MARKET SHARE 2023
Focus on Industry Inflections Drives Growth Ahead of Macro Indicators

LONG-TERM GROWTH EXPECTATIONS

2020 Revenue

- SEBU: 25%
- PBU: 35%
- TBU: 13%
- ADG: 27%

Industry Inflections

- 9% MARKET GROWTH* 2020-2023
- 10-15% REVENUE CAGR GOAL 2020-2023

Industry Inflections

- 8% MARKET GROWTH* 2020-2023
- 10-12% REVENUE CAGR GOAL 2020-2023

Industry Inflections

- 3% MARKET GROWTH* 2020-2023
- 6-9% REVENUE CAGR GOAL 2020-2023

*IC INSIGHTS—GLOBAL SEMI CAPEX EXCL. MEMORY+FOUNDRY (TOP 5 CAPEX SPENDERS)

*IHS—GLOBAL VEHICLE PRODUCTION

*STRATEGY ANALYTICS—GLOBAL DEFENSE EXPENDITURES

Semiconductor and Electronics

Transportation

Aerospace, Defense, and Government

DIGITAL TRANSFORMATION

- 5G MOBILE
- WIFI

- EV
- ADAS

Transportation

Aerospace, Defense, and Government
Chad Chesney

SENIOR VICE PRESIDENT AND GM
TRANSPORTATION BUSINESS UNIT
Accelerating Innovation in Electrification and Autonomy
The Road to the Future is Paved with Software

Acceleration of EV and ADAS roadmaps will require new tools and process to meet demand

2020

- Vehicle Production: 77M New Vehicles
- Electrification: <5% Battery Electric
- Autonomy: <15% L2 Autonomy or Above

2030

- Vehicle Production: ~100M New Vehicles (1.3x Increase)
- Electrification: >30% Battery Electric (7x Increase)
- Autonomy: >50% L2 Autonomy or Above (5x Increase)

Automotive companies plan to spend **45% of 2021 R&D budget on software**

- IHS SURVEY
Accelerating EV Product Performance

Customer Value (BMW)

<5% DEVIATION FROM REAL WORLD PERFORMANCE

20% FASTER DEVELOPMENT CYCLES

NI Lab System
Scenario Automation, Real-Time Models, FPGA Processing

NI Record System
High Performance I/O, Streaming, Storage

Real World Test Vehicle

Rest of the Car

Environment

EV System
Accelerating ADAS Product Performance

Customer Value (Valeo) We can go from design to test with minimal system changes. We can adapt to changing requirements and complete our projects within a shrinking timeline.

![Diagram showing the integration of ADAS System, NI Lab System, NI Record System, Rest of the Car, and Environment]
Faster.
Luke Schreier

SENIOR VICE PRESIDENT AND GM
AEROSPACE, DEFENSE, AND GOVERNMENT BUSINESS UNIT
An Immense Scale of Innovation

US Defense Spending
+4% proposed Research, Design, Test & Evaluation budget in 2022
Microelectronics, 5G, AI, Science & Technology prioritized in budget

Space
20% CAGR in small satellite market through 2025 ($7B)
10% CAGR in global satellite and launch vehicle market through 2025

Commercial Aviation
Return to 2019 passenger levels in 2023, 3.2% growth annually through 2040
Fuel efficiency and urban air mobility drive demand

SOURCE: DEFENSE.GOV
SOURCEs: MARKETS AND MARKETS, MORGAN STANLEY RESEARCH
SOURCE: IATA
Cognitive Radar Prototyping and Validation

**Customer Value:** Confidence in their innovations, earlier in the development cycle

- High-fidelity Simulated Environment
  - NI Hardware

- Cognitive Radar Prototype
  - NI Hardware

- Customer Algorithm
  - (AI/ML-based)

- Radar systems:
  - Electronic warfare systems
  - Navigation systems
  - Avionics systems
  - Communication systems
  - EO/IR systems
  - Flight control computers
Validating Software-Based Control Systems

**Customer Value:** Time-to-market, while maintaining test coverage despite increasing complexity

Hardware in the loop testing of software is essential

—ELON MUSK (TWITTER)
High-Volume Production Driven by New Space

**Customer Value:** Scale, at a reasonable cost, without compromising quality
Accelerate.
Focusing on Customer Partnerships to Accelerate Disruptive Growth
The Portfolio BU
PROFITABLE GROWTH OPPORTUNITY

Resiliency through Software and Platform Leverage

2020 Revenue

PBU
35%

SEBU
25%

TBU
13%

ADG
27%

PORTFOLIO BU

DIGITAL TRANSFORMATION

4%
MARKET GROWTH
2020-2023

2.1B
NI SAM (2023)

5-6%
REVENUE CAGR GOAL
2020-2023

*F&S—PORTFOLIO ELECTRONICS T&M
Platform Champion

Harness Power of Software-connected Platform

Foundation for Industry-focused Offerings

PORTFOLIO BU REPRESENTS

80% OF NI’s >35,000 CUSTOMERS
Accelerating Software

LARGEST NUMBER OF SOFTWARE CUSTOMERS

HIGHER SOFTWARE % THAN COMPANY AVERAGE

90% DECREASED SYSTEM DEPLOYMENT TIME FROM 30 MINUTES PER SYSTEM TO 3 MINUTES FOR ENTIRE PRODUCTION LINE
Leveraging Software-Connected Platform

20%
PBU SYSTEM LEVEL GROWTH

27%
PBU TIER 3 GROWTH

80%
REDUCTION IN TEST CYCLE TIMES

REDUCED PER SYSTEM CERTIFICATION TIME BY 4 MONTHS
The Portfolio BU

Highly Profitable Growth Opportunity

Driving Resiliency

NI’S PLATFORM CHAMPION

80% OF NI’s >35,000 CUSTOMERS

HIGHER SOFTWARE % THAN COMPANY AVERAGE
Chief Revenue Officer

Revenue Engine Partnering with Customers
# Achieving SG&A % 2 Years Ahead of 2023 Model

<table>
<thead>
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<th>2020</th>
<th>2021 Target</th>
<th>2023 Model</th>
</tr>
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<tr>
<td>Revenue</td>
<td>$1.3B</td>
<td>$1.45B</td>
<td>9% CAGR 2020-2023</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
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<tr>
<td>R&amp;D Spend</td>
<td>20%</td>
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<td>39%</td>
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<td>Operating</td>
<td>16%</td>
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A reconciliation of historical non-GAAP financial measures on this slide to the most directly comparable GAAP financial measure is available at ni.com/nati.
Seamless, Outcome-Based Customer Engagement

NI New Capabilities Seamlessly Drive the Customer Journey
Engagement Focused on Customer’s Jobs to Be Done
Ramping Products at Scale

Improve customer experience, lower cost of sale and increase reach

DIFFERENTIATED CUSTOMER ENGAGEMENT

SOFTWARE

SYSTEMS

ENTERPRISE SOFTWARE

PRODUCT

30%

TIER 3 GROWTH
Building Partnerships with **System Solutions**

31% System growth with Tier 1 & 2 customers

- **44%** Partner Growth
- **125%** NI Professional Services Growth
- **31%** System growth with Tier 1 & 2 customers
Shared Objectives

Accelerated Time to Market

Tested Half a Billion Parts

Supplier of the Year

>50% REDUCTION IN TEST FOOTPRINT

FASTER TIME TO MARKET

LOWER COST OF TEST
Driving Customer Outcomes with Enterprise Software

Disruptive lifecycle analytics

SOFTWARE

ENTERPRISE SOFTWARE

SYSTEMS

PRODUCT

PIPELINE INCREASING

>50%

FOR NEXT YEAR

LEVEL OF SERVICE

>50%
Driving Outcomes

OptimalPlus analytics tools provided powerful data insights

Reduced Capital Investments
Reduced Retesting

>5% MARGIN IMPROVEMENT QUARTER-OVER-QUARTER
CRO: Revenue Engine Partnering with Customers

Financial Model 2 Years Ahead of Goal

<table>
<thead>
<tr>
<th>Year</th>
<th>SG&amp;A Spend as % of Revenue</th>
<th>2020</th>
<th>2021 TARGET</th>
<th>2023 MODEL</th>
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<tr>
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<td></td>
<td>39%</td>
<td>36%</td>
<td>35 - 36%</td>
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New Capabilities to Accelerate Growth
Josh Mueller
CHIEF DIGITAL OFFICER AND GM
PORTFOLIO BUSINESS UNIT
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 the easiest to buy, use and maintain, and deliver them through modern and efficient channels for the best customer experience.
Government Funding | Digital Transformation | Customer Expectations

Customer Business Goals

PRODUCT QUALITY | TIME TO MARKET | OPERATIONAL EFFICIENCY

Deploy Mass Market Offerings | Deliver more customer value through Software | Target high growth Vertical Segments

ni.com
Why We Win

Portfolio Proposition

Differentiated platform providing flexibility and breadth to improve test performance, provide consistency of results, and lower risk of obsolescence.

Most productive and adopted software toolchain for automated test across the product lifecycle.

Scale to reach and support a broad base of customers through our omnichannel approach.

Deploy Mass Market Offerings

Deliver more customer value through Software

Target high growth Vertical Segments
Tabitha Upshaw
SENIOR DIRECTOR, BRAND, REPUTATION AND IMPACT
CORPORATE IMPACT

Cate Prescott
CHIEF PEOPLE OFFICER AND SENIOR VICE PRESIDENT
GLOBAL HUMAN RESOURCES
Interview Segment
Cate Prescott

JOINED BY TABITHA UPshaw
Karen Rapp

EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
Focused to Deliver Sustainable Growth

2020-2023 TARGET CAGR OF 9%

GROWTH FUELED BY STRONG DEMAND FOR SOFTWARE-CONNECTED CUSTOMIZABLE SOLUTIONS
## Focused Domain Expertise to Accelerate Revenue Growth

<table>
<thead>
<tr>
<th>Domain</th>
<th>2020 % of Revenue</th>
<th>2020-2023 3-Year CAGR Goal</th>
<th>Projected 2023 Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductor and Electronics</td>
<td>25%</td>
<td>10–15%</td>
<td>~27%</td>
</tr>
<tr>
<td>Transportation</td>
<td>13%</td>
<td>10–12%</td>
<td>~14%</td>
</tr>
<tr>
<td>Aerospace, Defense and Government</td>
<td>27%</td>
<td>6–9%</td>
<td>~27%</td>
</tr>
<tr>
<td>Portfolio (All Other Industries)</td>
<td>35%</td>
<td>5–6%</td>
<td>~32%</td>
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**NI 2020-2023 3-Year CAGR Goal 9%**

CAGR = COMPOUND ANNUAL GROWTH RATE
## Drivers of Product Revenue Growth

Making test a competitive advantage for our customers

<table>
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<th>Portfolio (All Other Industries)</th>
<th>NI Differentiation</th>
<th>Value Beyond Pass/Fail</th>
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<tr>
<td></td>
<td>Software expertise to create mass market offerings and leverage global distribution to broaden customer reach</td>
<td>Modern and consumable experience for all</td>
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<tr>
<td>Aerospace, Defense and Government</td>
<td>Enabling extensive customization through software-connected platform and managed services</td>
<td>Support for complexity of New Space testing requirements and ability to scale into volume production</td>
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<td>Transportation</td>
<td>Only T&amp;M company with simulation capability and partnerships</td>
<td>Closing the feedback loop to improve the product itself</td>
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<tr>
<td>Semiconductor and Electronics</td>
<td>Uniquely positioned with modern lab, production test systems and data analytics</td>
<td>Data insights to improve current test programs and to inform the &quot;next&quot; new product designs</td>
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Consistently Providing Value Through Unique Software-Connected Customizable Solutions

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

A RECONCILIATION OF HISTORICAL NON-GAAP GROSS MARGIN TO GAAP GROSS MARGIN IS AVAILABLE AT NI.COM/NATI.
Expanding Non-GAAP Operating Margin

Driving Scale in Operations Through Standardization, Simplification, and Automation

A RECONCILIATION OF HISTORICAL NON-GAAP OPERATING INCOME AND OPERATING MARGIN TO GAAP OPERATING INCOME AND OPERATING MARGIN IS AVAILABLE AT NI.COM/NATI.
Delivering Strong Cash Flow From Operations

Cash Flow From Operations, Average of 15% of Revenue

Model

Cash Flow From Operations

CASH FLOW FROM OPERATIONS AS PERCENT OF REVENUE

CASH FLOW FROM OPERATIONS

ni.com
Disciplined and Balanced Capital Allocation Priorities

Purpose

- Organic Growth
- Return Capital to Investors
- Accelerate Strategy
- Reduce Dilution

Long-Term, Sustainable Value for Investors

- R&D Investment
- Dividends
- Acquisitions
- Share Repurchase
### No Change to Non-GAAP Target Financial Model

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Financial Summary

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
2021

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Investor Conference