Marissa Vidaurri
Head of Investor Relations
Safe Harbor Warning

Forward-looking Statements

During today’s presentation, we expect to make forward-looking statements regarding the future financial performance of NI or future events, including our strategic goals and direction; objectives; targets; plans; focus; priorities; models; revenue targets, goals, expectations, and outlook; revenue mix targets, goals and expectations; non-GAAP gross margin targets, goals and expectations; non-GAAP operating income and non-GAAP operating income as a percentage of revenue (non-GAAP operating margin) targets, goals and expectations; cash flow targets, goals and expectations; operating models; vision; future growth and profitability; our market, served available market, and category position, strategy, trends, expectations, impact, and growth opportunities, including regarding share (including in the semiconductor, transportation, aerospace, defense and government industries and other industries we serve (portfolio)); growth opportunities, drivers, inflections, and trends; capital allocation priorities and plans; dividend policy and plans; acquisition strategy and plans; stock repurchase strategy and plans; expense and spending management, control strategy, targets, and plans (including non-GAAP spending in, and within, R&D, SG&A, and other functions); expectations regarding the COVID pandemic situation; plans regarding restructuring; technology accelerators; value proposition; shareholder returns; technology and industry trends; and our outlook. We wish to caution you that such statements are just predictions and are subject to a number of risks and uncertainties, and that actual events or results may differ materially and could be negatively impacted by the risks and uncertainties, including risks and uncertainties related to the COVID-19 virus and further economic and market disruptions resulting from COVID-19; further adverse changes or fluctuations in the global economy; further adverse fluctuations in our industry; foreign exchange fluctuations; changes in the current global trade regulatory environment; fluctuations in customer demands and markets; fluctuations in demand for NI products including orders from NI’s large customers; component shortages; delays in the release of new products; NI’s ability to effectively manage its operating expenses; manufacturing inefficiencies and the level of capacity utilization; the impact of any recent or future acquisitions or divestitures by NI (including the ability to successfully operate or integrate the acquired company’s business into NI, the ability to retain and integrate the acquired company’s employees into NI, and the ability to realize the expected benefits of the acquisition); expense overruns; and adverse effects of price changes or effective tax rates. Actual results may differ materially from the expected results. We refer you to our Form 10-K for the year ended Dec. 31, 2019, our Form 10-Q for the quarter ended March 31, 2020, and the other documents we file with the SEC for other risks associated with NI’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 4, 2020. NI undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in NI’s expectations.

Non-GAAP Information

In today’s presentation, 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 margin, 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, restructuring charges, tax reform charges, disposal gain on buildings and related charitable contributions, tax effects related to businesses held for sale, gain on divestment, and capitalization and amortization of internally developed software costs. We have included reconciliations of our non-GAAP results to our GAAP results on our website at ni.com/nati at the Non-GAAP Reconciliations link. For periods prior to March 31, 2005, our non-GAAP results are the same as our GAAP results.
Eric Starkloff
CEO
Long-Term Commitment for All Our Stakeholders
Diverse Business with Strong Results

2019 RESULTS

$1.35B	19%	20%
REVENUE	NON-GAAP OPERATING MARGIN	INVESTMENT IN R&D

50+
COUNTRIES WITH NI OPERATIONS

2019 REVENUE BY REGION

40% 28% 32%
AMERICAS EMEA APAC

35,000+
CUSTOMERS WORLDWIDE

A reconciliation of non-GAAP operating margin to GAAP operating margin is available at ni.com/nati.
Long-term Ambitions

>70%
REVENUE FROM ORDERS >$20K

30%
REVENUE FROM SOFTWARE

Our Strategy for Growth

Enhance our **software** offering to meet enterprise-level needs of our customers

Meeting our customer needs through more **system-level** capabilities

Investing to create differentiated **services**

Make it easier to do business with NI by **streamlining** our buying process
NI SOFTWARE-CONNECTED SOLUTIONS
ENABLING INNOVATION AND PRODUCTIVITY ACROSS THE PRODUCT DEVELOPMENT CYCLE

PRODUCT ANALYTICS AND TEST OPERATIONS
OptimalPlus  SystemLink™

TAILORED, APPLICATION-SPECIFIC SYSTEMS
Semiconductor Test System  Electric Vehicle Battery Test System  Condition Monitoring  ...

SERVICES
Software Services  Hardware Services  Consulting + Integration Services  Education Services  NI Partners
NI SOFTWARE-CONNECTED SOLUTIONS
ENABLING INNOVATION AND PRODUCTIVITY ACROSS THE PRODUCT DEVELOPMENT CYCLE

PRODUCT ANALYTICS AND TEST OPERATIONS
OptimalPlus SystemLink™

Data analytics enables automation and optimization of test systems

Test data enables unique product insights that drive business value

Software-Connected Test Systems
NI | ~$17B TAM, ~$8B SAM

$1.2B Semiconductor
$1.7B Transportation
$1.3B Aerospace, Defense, and Government
$3.6B Portfolio

NI MARKET SHARE 2023

NI WELL POSITIONED FOR SAM EXPANSION 2020-2023

3 - 5%

$8B 2023 SAM

~20%

ni.com
## Non-GAAP Target Financial Model

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Aligned Leadership Team Focused on Strategic Execution to Deliver Results in Pursuit of our Long-Term Growth Ambitions

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

Creating Deeper Customer Connections while Driving Efficiency through Scale and Leverage

Strong Cash Flow Generation Provides Flexibility to Fuel Organic Innovation and Fund Future Opportunities for Inorganic Strategic Acceleration
Ritu Favre
Senior Vice President &
General Manager, Semiconductor
Semiconductor | ~$1.2B SAM
Strategy to grow current SAM through new offerings and 5G opportunity

Represented by pie chart:
- RFIC
- Mixed Signal / Digital
- Opto

Revenue Mix:
- 60% Production Test
- 40% Validation Test

Accelerating Growth Through Key Market Inflections
- 5G
- HMI
- Digital Transformation

ni.com

Reports 2023 estimate
Semiconductor | Macro Trends to NI Strategy

**Macro Trends**

- Wireless Communications (5G)
- IoT
- Personal Health
- Autonomous Driving/EV
- AR/VR
- HMI
- AI

**Semiconductors**

- RFICs
- Optoelectronics
- Analog, MEMS, Wafer Level Reliability

**Inflections**

- New Bands & Specs
- New Standards
- New Measurement Types
- New Electrical and Optical Measurement Needs
- Market Maturation
- Cost Pressure

**NI Strategy**

- Focused play with solutions for emerging RFFE test requirements
- Focused play with solutions for new sensors/displays
- Pursue for cost of test play
5G Market Update

- **Strong H1 NI Semi performance** due to customer investment in 5G RFIC validation and scale of production design wins
- Short-term **COVID-19** slowdown driving lower than expected 5G deployments in 2020, accelerating in 2021
- Carrier subsidies of **5G mmWave** handsets signal future mmWave adoption

### Chipmakers
- Significant COVID-19 impact
- Weaker H2 outlook, with -10% YOY mobile decline
- Slight delay in mmWave, more focus on sub-6 GHz short term

### Government & Regulatory
- Increasing US-China trade tensions driving de-Americanization of Huawei supply chain
- FCC aggressively driving access to sub-6 GHz spectrum, delaying mmWave

### Carriers
- Aggressively deploying sub-6 GHz 5G infrastructure
- Signaling future mmWave deployments with subsidy of 5G mmWave handsets

### Standards Bodies
- 3-6 Month delay in future 3GPP releases
  (Release 16 and 17) delays mmWave feature readiness
Semiconductor Growth Opportunity

$1.2B
NI SAM (2023)

5%
MARKET GROWTH 2020-2023

10-15%
REVENUE CAGR GOAL 2020-2023

18%
REVENUE CAGR 2016-2019

SOURCES: IC INSIGHTS AND NI ESTIMATES
Semiconductor

**Growth Drivers**

**RFICs** – About half of NI semiconductor SAM is in 5G. 5G adoption accelerates opportunity to take share

**Mixed Signal** – Opportunities for SAM expansion in validation test through D2T, wafer-test, and modern lab initiatives

**Optoelectronics** – Addressing new technical requirements from mini/micro LEDs, VCSELs and optical sensors.

**NI Value Proposition**

**Production** – Reduce cost of test with solutions that increase test throughput and expand test coverage

**Validation** – Accelerate time-to-market with solutions that automate device characterization and validation

**Enterprise Software** – Accelerate digital transformation initiatives and optimize product performance throughout the product lifecycle with advanced product analytics
Chad Chesney
Vice President & General Manager, Transportation
Transportation | ~$1.7B SAM

Growth driven by trends in electrification, ADAS, autonomy, and connectivity
Transportation

Growth Drivers

- Electrification
- ADAS & Autonomy
- ECU Complexity
- Connectivity

NI Value Proposition

Software-connected test systems are easily adapted with rapid requirement changes to accelerate innovation and time to market.

Modular hardware and measurement breadth is configurable for testing complex components and expandable to meet future test requirements.

Expert systems delivery capabilities with NI Services and the NI Partner Ecosystem reduces test development time.

Product analytics and test operations software connects data across the product development cycle to quickly identify failure root-cause and reduce the cost of quality.
Luke Schreier
Vice President &
General Manager, ADG
Aero, Def & Govt | ~$1.3B SAM

Share gains through growth in system-level offerings, services, and enterprise software

- Defense Aircraft
- Rockets, Missiles, and Launch Vehicles
- Satellites
- Ground-based Comms. and Sensors
- Additional Commercial and Defense Platforms (e.g. Airliners, General Aviation, Surface Vessels, Undersea Vessels, Ground Vehicles)

- NI
- NI
- NI
- NI
- NI

22% 36% 42%

Production and Post-Production Test
Validation Test
Research and Prototyping

Represents 2023 estimate
Aero/Def/Govt

Growth Opportunity

$1.3B
NI SAM (2023)

3%
MARKET GROWTH 2020-2023

6-9%
REVENUE CAGR GOAL 2020-2023

7%
REVENUE CAGR 2016-2019

SOURCES: DELOITTE, IHS MARKIT, US DOD AND WW DEFENSE BUDGETS, and NI ESTIMATES
Aerospace, Defense & Government

**Growth Drivers**

**Market/Business**
- Strong global defense spending
- Commercialization and interest in space
- Digital transformation and modernization

**Technology**
- Incorporation of Advanced Capability Enablers (ACEs) like autonomy, artificial intelligence, hypersonics, cognitive radar, sensor fusion, and electric aircraft
- Increased need and reliance on software, validated across thousands of scenarios

**NI Value Proposition**

Our customer’s success relies on incorporating ACEs while maintaining existing assets. This requires **rapid technical innovation** and **multidomain subsystem integration**.

NI’s broad electrical/physical measurement expertise, differentiated electromagnetic/RF test capability, and enterprise software toolchain accelerates ACEs through **system-level test across domains**.

Our prototyping and automated test capabilities help **shorten development cycles, improve mission readiness**, and **maximize effectiveness** of our customer’s engineering talent.
Carla Piñeyro Sublett

General Manager, Portfolio,
& Chief Marketing Officer
Portfolio | ~3.6B SAM

Strategy to grow share through leverage of megatrends and making it easier to buy from NI

Accelerating Growth Through Key Market Inflections

Convergence of Devices

5G

Digital Transformation

 Representatives 2023 estimate
Portfolio Growth Opportunity

$3.6B NI SAM (2023)

1% MARKET GROWTH 2020-2023

5-6% REVENUE CAGR GOAL 2020-2023

-2% REVENUE CAGR 2016-2019

Orders 2019

> $20k < $20k

SOURCES: F&S, Prime Data, ABI Research, VDC and NI Estimates
LEVERAGE OUR INNOVATIVE PLATFORM ACROSS A BROAD CUSTOMER BASE

Portfolio | Strategy

**Scale**

Streamline the Buying Process

- Increase customer intimacy through clear business value
- Leverage inside sales, e-commerce and indirect channel to drive scale and efficiency for broad set of customers
- Expand customer reach through robust demand-generation plan
- Optimized investment through more modern approach

**Leverage**

Product Lens

- Gain **leverage and scale** across the business through simplification and modernization
- Deliver **application-specific** offerings that leverage standard platform capabilities
- Transition from mass customization to create standard **plug and play**
- Efficiently adapt **software and data analytics** capabilities to increase recurring revenue

ni.com
Jason Green
Senior Vice President
Global Sales, Support, Services and Operations
Transformation Creating Momentum

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 with Distribution
Serve Customer Requests and Prioritize Digital

Percentages represent 2020 targeted revenue model
Opening New Opportunities with Systems and Software

I don't feel like I'm working with a vendor, I've got a partner by my side.

Clarke Ryan
SENIOR DIRECTOR PRODUCTS GROUP
SPIRENT COMMUNICATIONS

26% PIPELINE GROWTH IN TIER 1
21% INCREASE IN AVG OPPORTUNITY SIZE
15% GROWTH IN SOFTWARE ENTERPRISE AGREEMENTS
8% SYSTEM-LEVEL BUSINESS GROWTH OVER TRANSACTIONAL

Data from last 2 years
Monetizing New Services Capabilities to Accelerate Growth

**Partner Program**
Renewed Focus and Investment

NI’s new partner strategy on alignment and collaboration to deliver software-connected systems will drive enterprise-level opportunities and growth we’ve not experienced in the past.

- **Frank Heidemann**
  - CEO, SET GMBH
  - NI partner for over 16 years

**NI Global Services**
Expanding Capabilities and Differentiation

<table>
<thead>
<tr>
<th>11%</th>
<th>HARDWARE SERVICES GROWTH OVER HARDWARE SALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,000</td>
<td>NEW USERS IN TRAINING PLATFORM IN 2020</td>
</tr>
<tr>
<td>40%</td>
<td>INCREASE IN INTEGRATION SERVICES HOURS DELIVERED</td>
</tr>
</tbody>
</table>

*Increase from 2017 to 2019*
Streamlining Business to Optimize and Scale
Enabling Long-Term Growth Opportunities with Expertise

Creating Momentum through Transformation

Opening New Opportunities with Systems and Software

Monetizing New Services Capabilities to Accelerate Growth

Streamlining Business to Optimize and Scale
Scott Rust
Senior Vice President
Global Product Research & Development
Leveraging our R&D Investment Across the Business

- Semiconductor
- Transportation
- ADG
- Portfolio

NI Platform
Technology Mega-trends to Leverage

• Wireless connecting everyone and everything

• Cloud driving massive scale data streaming, computation, and storage

• Data and analytics empowering better business decisions

• Pervasive sensing of the physical world

• Evolution of autonomous systems powered by machine learning/AI
Highly Leveraged R&D Investments

**Enterprise Software**
- Data Analytics
- Systems & Data Management
- Design Tool Connectivity

**Application Software**
- Software Platform Framework
- Test Development and Test Management
- Linux, Python, and MathWorks Support
- Enhanced Security Features

**Systems Hardware and Software**
- Instrumentation Hardware
- Interfacing Hardware
- System and Tester Infrastructure

**Wireless Test**
- Increasing Frequency and Bandwidth
- Measurement IP and DSP
- Over-the-Air (OTA) Capability
Karen Rapp
CFO
Long-term Track Record of Growth

Revenue In Millions

# Focused to Accelerate Revenue Growth

<table>
<thead>
<tr>
<th>Industry</th>
<th>2016-2019 3-Year CAGR</th>
<th>2020-2023 3-Year CAGR Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductor</td>
<td>18%</td>
<td>10–15%</td>
</tr>
<tr>
<td>Transportation</td>
<td>9%</td>
<td>10–12%</td>
</tr>
<tr>
<td>Aerospace &amp; Defense and Government</td>
<td>7%</td>
<td>6–9%</td>
</tr>
<tr>
<td>Portfolio (All Other Industries)</td>
<td>-2%</td>
<td>5–6%</td>
</tr>
</tbody>
</table>

### 2019 Billings by Industry

- **Semi**: 15%
- **Transportation**: 24%
- **ADG**: 14%
- **Portfolio**: 47%

**NI 2020-2023 3-Year CAGR Goal 9%**

CAGR = Compound Annual Growth Rate
Consistently Providing Value Through Innovation

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.
Executing to Our Non-GAAP Operating Margin Target

Driving scale in operations through standardization, simplification, 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

- Cash flow from operations as Percent of Revenue
- Cash flow from operations
## Disciplined and Balanced Capital Allocation Priorities

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Deployed Capital $4.3B</th>
<th>2010–1H2020</th>
</tr>
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<tbody>
<tr>
<td>Organic Growth</td>
<td>R&amp;D Investment</td>
<td>$2.4B</td>
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<td>Return Capital to Investors</td>
<td>Dividends</td>
<td>$935M</td>
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<tr>
<td>Accelerate Strategy</td>
<td>Acquisitions</td>
<td>$614M*</td>
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<td>Return Capital to Investors</td>
<td>Share Repurchase</td>
<td>$318M</td>
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*Includes Optimal+ Transaction closed July 2, 2020

Objective of Long-Term, Sustainable Value for Investors
# Strategic Acceleration Through M&A

## Evaluation Consideration

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<th>Focus</th>
<th>Key Criteria</th>
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| Corporate   | - Alignment to Core Strategic Vision  
- Technology to broaden or improve differentiation for leverage across the portfolio                                                   |
| Industry    | - Strategic acceleration to industry growth targets  
- Expands SAM via IP or expertise                                                                                                      |
| Operational | - Sales channel fit  
- Company culture alignment, talent retention  
- Manufacturing and supply chain leverage                                                                                         |
| Financial   | - Leverage of cash and strong balance sheet  
- Accretive to EPS with synergies  
- ROIC above WACC in 3-5 years                                                                                                     |
### Non-GAAP Target Financial Model

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

Be Kind

Be Connectors
STEM Program Investment

Commitment to provide technology access to the under-served for pipeline of future engineers

**Exploration**
- Exposure to STEM concepts

**Engagement**
- Ability for hands-on STEM projects

**Immersion**
- Link STEM opportunity to in-school learning
Eric Starkloff
CEO
Position of Strategic and Financial Strength

Disrupting the Market through Software Differentiation

Leadership Aligned to Long-term Growth

Consistent Long-Term Shareholder Returns

Building a Strong and Stable Business for the Next 100 Years
Engineer Ambitiously.