



# Safe Harbor Warning

During the course of this presentation, we will make projections or other forward-looking statements regarding the future financial performance of the company or future events, including our strategic goals, operating leverage, revenue from our largest customer, market growth and trends, growth plans, marketing strategy, GAAP and core revenue guidance for Q2, 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 most recent Form 10-K filed on February 16, 2017. 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 this 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 income, and diluted EPS. Our non-GAAP results exclude, as applicable, the impact of stock-based compensation, amortization of acquisition-related intangibles, acquisition accounting for deferred revenue, acquisition-related adjustments, acquisition-related transaction costs, restructuring charges, foreign exchange loss on acquisitions, taxes levied on the transfer of acquired intellectual property, and impairment of minority cost basis investments. In each of our quarterly earnings press releases since March 31, 2006, we have included a reconciliation of our GAAP results to our non-GAAP results for the applicable periods and such press releases are available on our website at [investor.ni.com](http://investor.ni.com). For periods prior to March 31, 2006, our non-GAAP results are the same as our GAAP results. We also include information in this presentation about our year-over year (YOY) GAAP revenue growth excluding the effect of our current largest customer and the impact of foreign currency exchange (i.e., our "core revenue" growth). We have included a reconciliation of such YOY core revenue growth to our GAAP YOY revenue growth on our website at [ni.com/nati](http://ni.com/nati) and in the appendix of this presentation.

# Long-Term Track Record of Growth

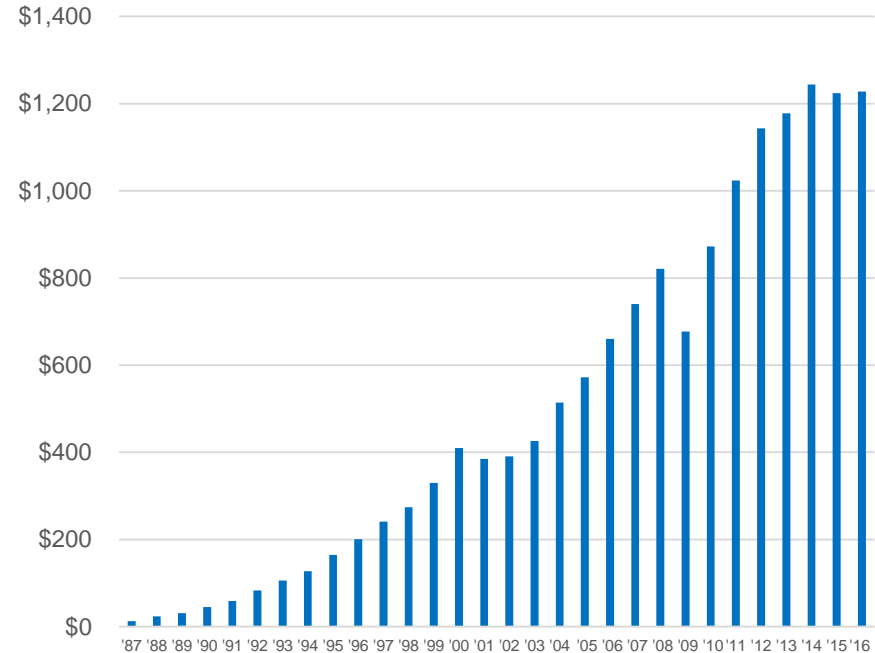
**Revenue:** \$1.23 billion in 2016

**Global Operations:** Approximately 7,460 employees; operations in approximately 50 countries

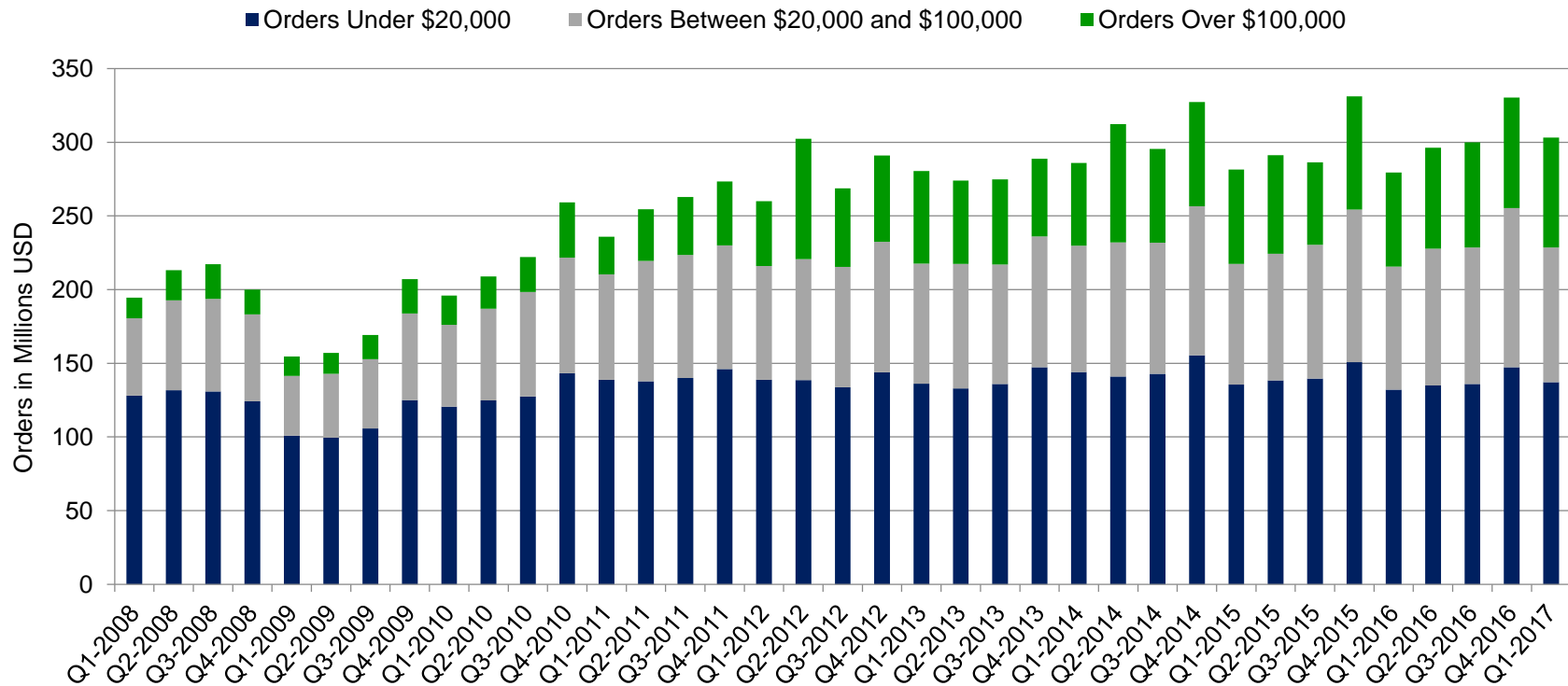
**Broad customer base:** More than 35,000 companies served annually

**Diversity:** No industry >15% of revenue

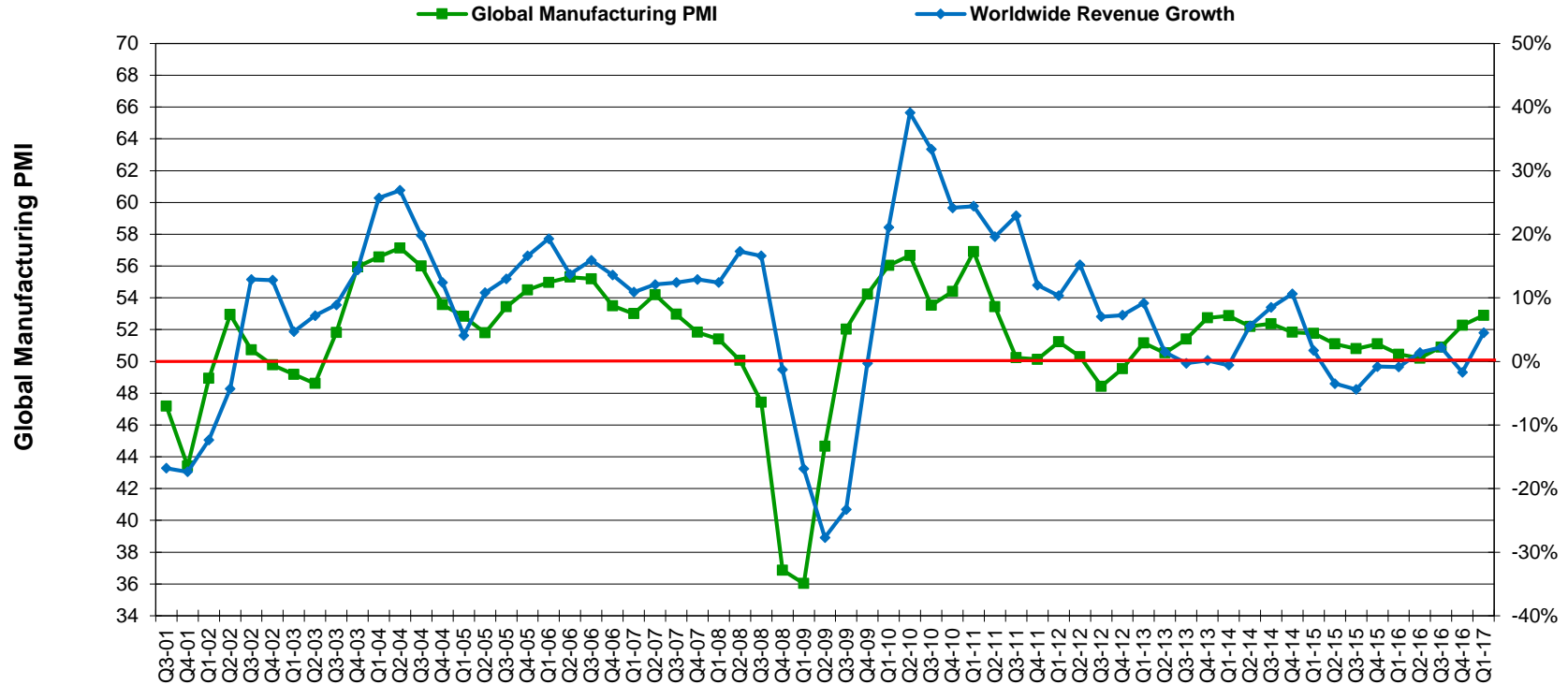
Revenue in Millions



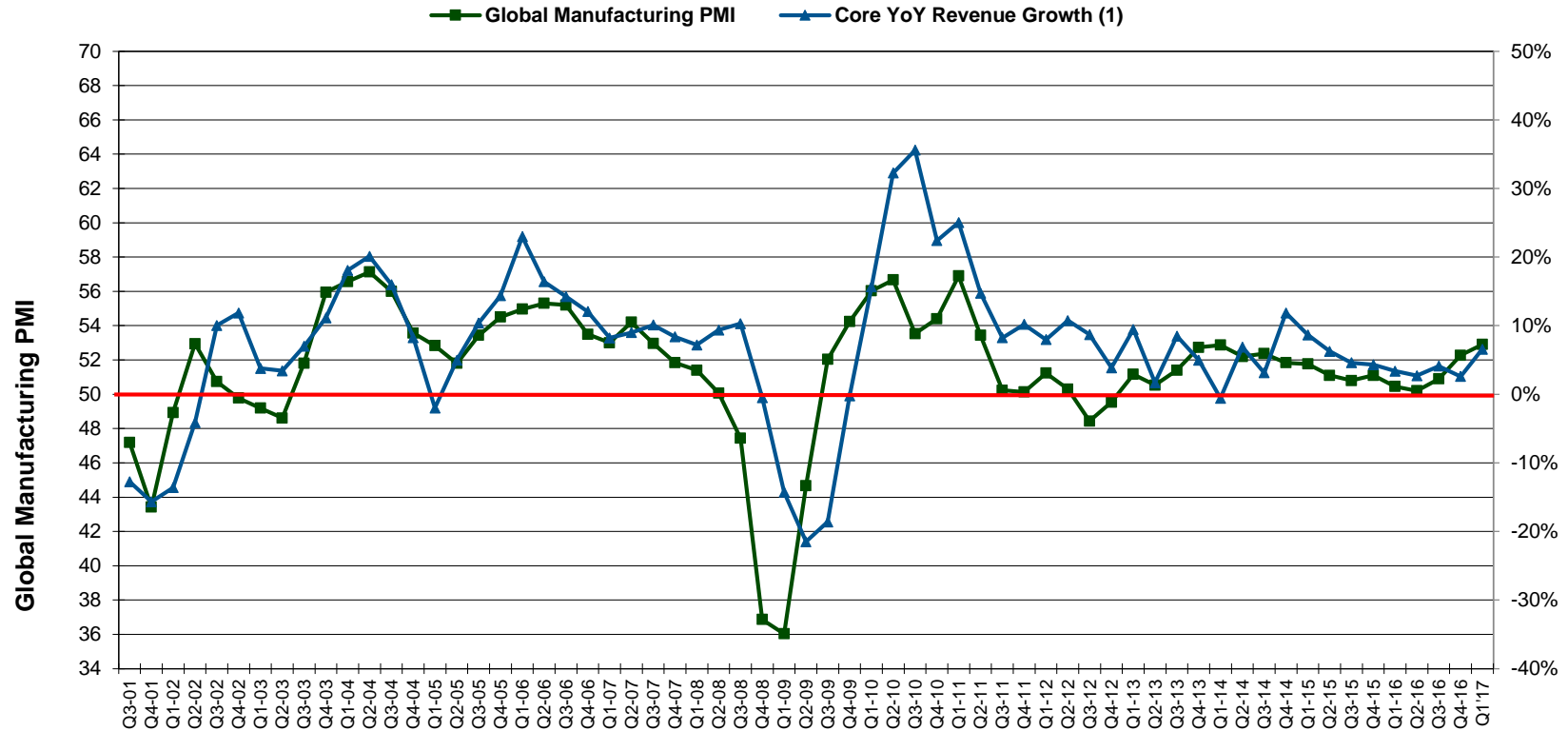
# Worldwide Order Mix



# Global Manufacturing PMI vs WW Revenue Growth

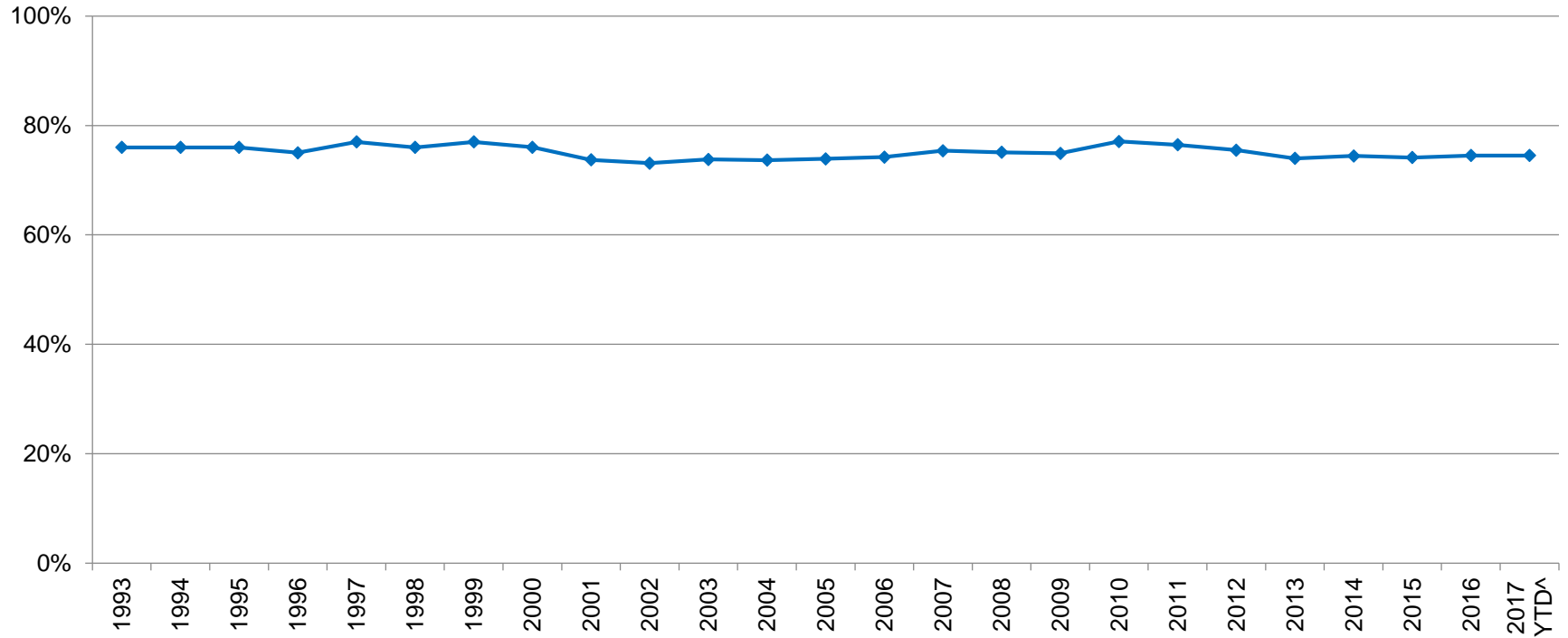


# Global Manufacturing PMI vs WW Core Revenue Growth\*



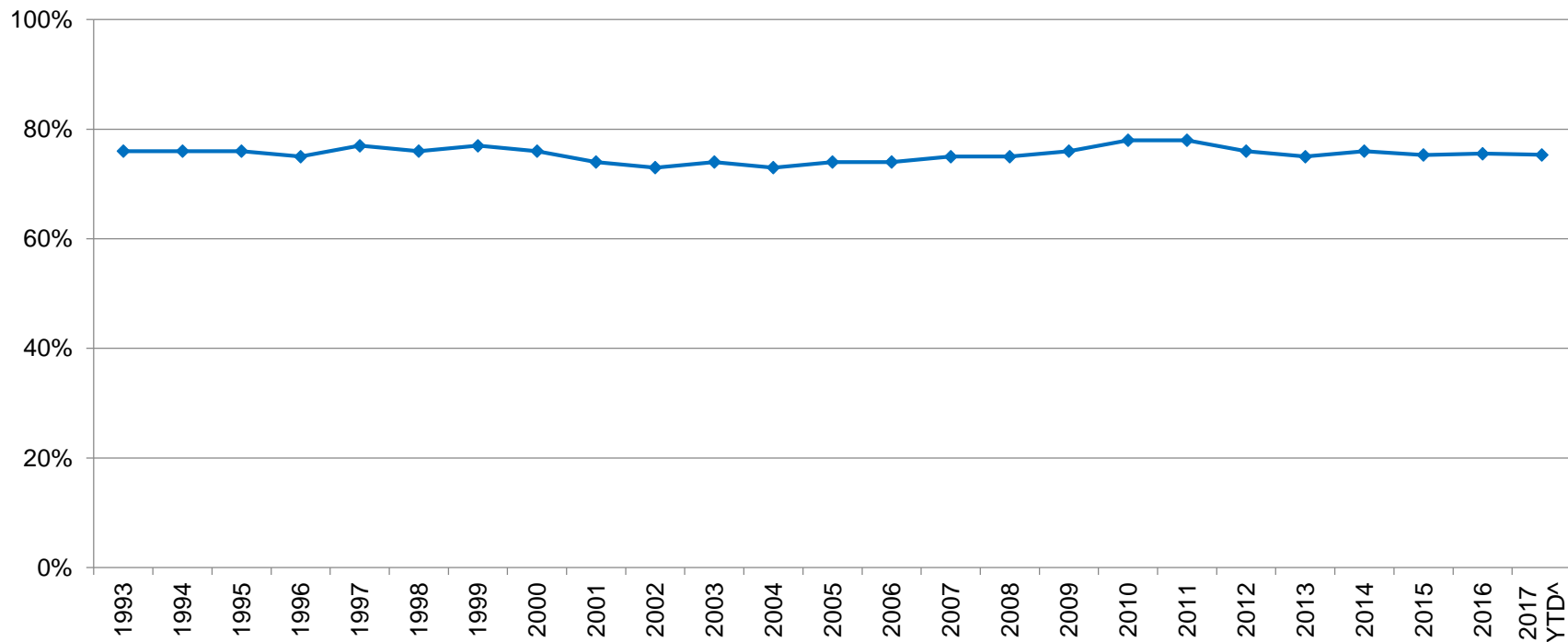
\*Core Revenue Growth excludes the effect of our current largest customer and the impact of foreign currency exchange. See reconciliation of GAAP revenue growth to core revenue growth in appendix and at [ni.com/investors](http://ni.com/investors).

# Preserving our GAAP Gross Margins



^March 31, 2017

# Preserving our Non-GAAP\* Gross Margins



\*A reconciliation of GAAP gross margin to non-GAAP gross margin results is available at [investor.ni.com](http://investor.ni.com).  
See appendix for corresponding GAAP chart.

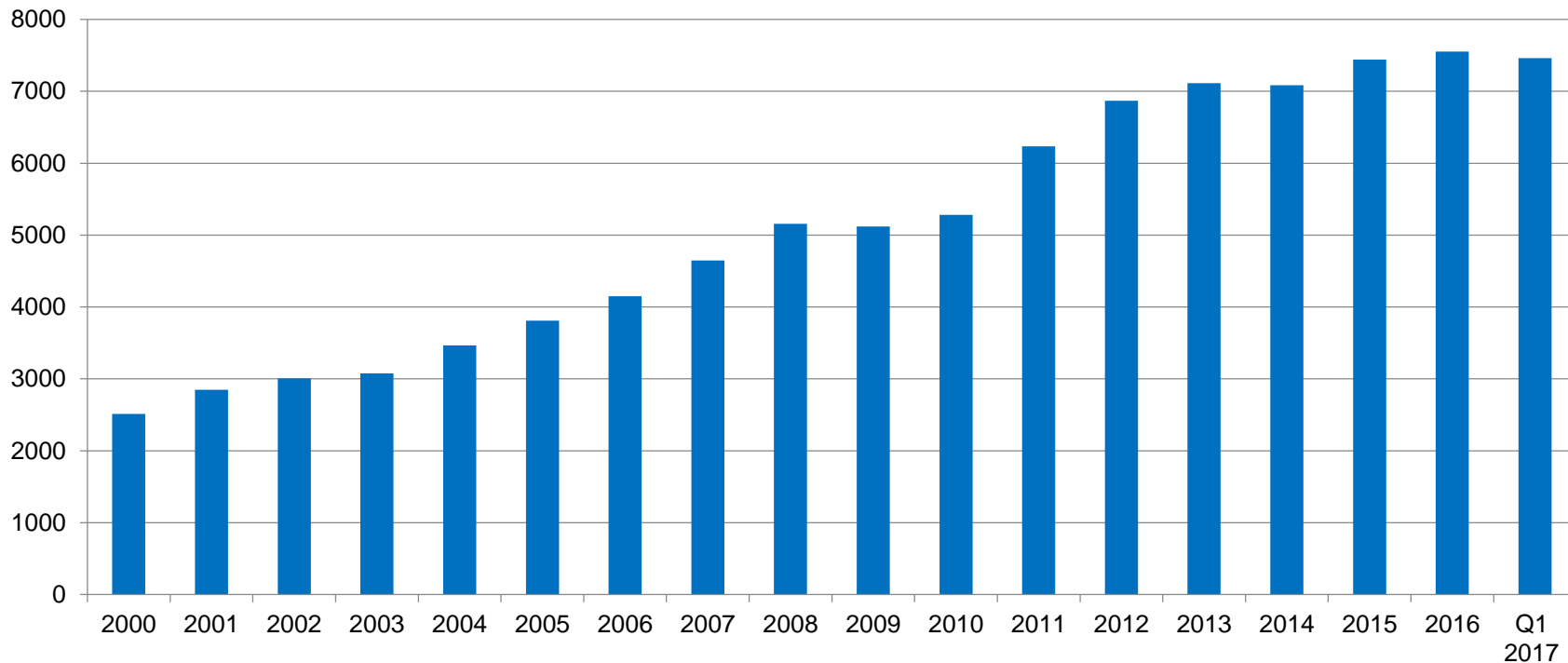


<sup>^</sup>March 31, 2017



# Leveraging Our Investments

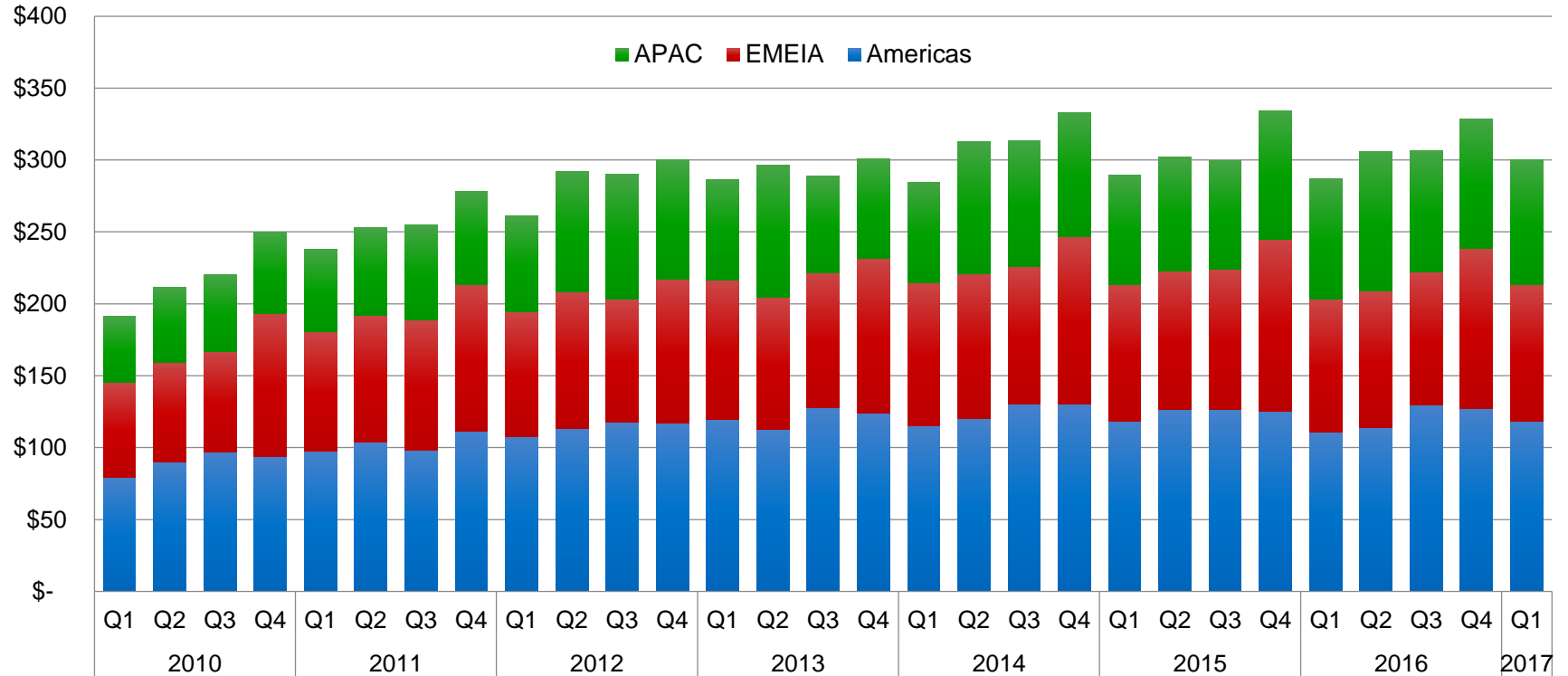
## Worldwide Headcount





# Appendix

# Historical Regional Revenue



# Summary Information

	3 Months Ended March 31		12 Months Ended December 31	
	2017	2016	2016	2015
GAAP Net Revenue	\$300.1	\$287.2	\$1,228.2	\$1,225.5
Non-GAAP Net Revenue	\$300.1	\$287.2	\$1,229.1	\$1,225.5
GAAP Operating Income	\$22.3	\$13.8	\$119.7	\$137.1
Non-GAAP Operating Income	\$34.4	\$25.2	\$161.8	\$179.6
GAAP Operating Margin	7.4%	4.8%	9.7%	11.2%
Non-GAAP Operating Margin	11.5%	9.0%	13.2%	14.7%
GAAP Net Income	18.1	\$9.3	\$82.7	\$95.3
Non-GAAP Net Income	\$27.0	\$20.3	\$ 120.2	\$128.3
GAAP Diluted EPS	\$0.14	\$0.07	\$ 0.64	\$0.74
Non-GAAP Diluted EPS	\$0.21	\$0.16	\$0.93	\$1.00
Weighted Shs OS - Diluted	130.1	128.1	129.0	128.7

# GAAP to non-GAAP Operating Income Reconciliation

	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY17 YTD <sup>^</sup>
Operating income, as reported	\$ 76,415	\$ 48,444	\$ 40,355	\$ 40,349	\$ 62,696	\$ 78,212	\$ 87,722	\$ 102,091	\$ 95,717	\$ 46,531	\$ 128,313	\$ 112,712	\$ 116,934	\$ 98,617	\$ 145,187	\$ 137,172	\$ 119,726	\$ 22,318
Acquisition related deferred revenue and GSA accrual	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,837	\$ 807	\$ -	\$ -	\$ -	\$ -	\$ -
Stock based compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,544	\$ 14,140	\$ 17,534	\$ 19,747	\$ 20,299	\$ 18,795	\$ 23,219	\$ 27,796	\$ 28,935	\$ 25,758	\$ 25,487	\$ 25,766	\$ 6,479
Amortization of acquisition intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,951	\$ 3,202	\$ 3,191	\$ 4,167	\$ 3,948	\$ 3,887	\$ 8,135	\$ 10,962	\$ 14,749	\$ 14,002	\$ 14,276	\$ 13,072	\$ 2,331
Acquisition related adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,783	\$ (1,316)	\$ -	\$ -	\$ -	\$ 1,585
Acquisition related transaction costs and restructuring charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,084	\$ 1,335	\$ 2,050	\$ 2,161	\$ 2,625	\$ 1,695	\$ 3,287
Non-GAAP operating income	\$ 76,415	\$ 48,444	\$ 40,355	\$ 40,349	\$ 62,696	\$ 81,707	\$ 105,064	\$ 122,816	\$ 119,631	\$ 70,778	\$ 150,995	\$ 163,987	\$ 164,617	\$ 143,035	\$ 187,108	\$ 179,565	\$ 161,844	\$ 34,415

## Reconciliation of Operating Income % to Non-GAAP Operating Income %

	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY17 YTD <sup>^</sup>
Operating income %, as reported	19%	13%	10%	9%	12%	14%	13%	14%	12%	7%	15%	11%	10%	8%	12%	11%	10%	7%
Acquisition related deferred revenue and GSA accrual																		
Stock based compensation	0%	0%	0%	0%	0%	0%	2%	2%	2%	3%	2%	2%	2%	2%	2%	2%	2%	2%
Amortization of acquisition intangibles	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	0%	1%	1%	1%	1%	1%	1%	1%
Acquisition related adjustments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%
Acquisition related transaction costs and restructuring charges	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Non-GAAP operating income %	19%	13%	10%	9%	12%	14%	16%	17%	15%	10%	17%	16%	14%	12%	15%	15%	13%	11%

<sup>^</sup>March 31, 2017

# Annual reconciliation of YoY GAAP revenue growth to YoY GAAP revenue growth excluding the effect of our current largest customer and the impact of foreign currency exchange

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD <sup>^</sup>
YoY GAAP Revenue growth, as reported	1.4%	9.0%	20.7%	11.2%	15.5%	12.1%	10.8%	-17.5%	29.1%	17.3%	11.7%	2.5%	6.1%	-1.5%	0.2%	4.5%
Effect of excluding our current largest customer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.1%	-5.6%	3.2%	-1.3%	1.8%	-0.4%	1.7%
YoY GAAP Revenue growth, excluding our largest customer	1.4%	9.0%	20.7%	11.2%	15.5%	12.1%	10.8%	-17.5%	29.1%	16.2%	6.1%	5.7%	4.8%	0.3%	-0.2%	6.2%
Effect of excluding the impact of foreign currency exchange	-1.2%	-2.5%	-5.5%	-4.1%	0.7%	-3.2%	-4.5%	3.7%	-2.8%	-2.1%	1.6%	0.4%	0.6%	5.5%	3.3%	0.4%
YoY Core Revenue growth	0.2%	6.5%	15.2%	7.1%	16.2%	8.9%	6.3%	-13.8%	26.3%	14.1%	7.7%	6.1%	5.4%	5.8%	3.1%	6.6%

<sup>^</sup>March 31, 2017

## Reconciliation of YoY GAAP revenue growth to YoY GAAP revenue growth excluding the effect of our current largest customer and the impact of foreign currency exchange

	00 - Q1	00 - Q2	00 - Q3	00 - Q4	01 - Q1	01 - Q2	01 - Q3	01 - Q4	02 - Q1	02 - Q2	02 - Q3	02 - Q4	03 - Q1	03 - Q2	03 - Q3	03 - Q4	04 - Q1	04 - Q2	04 - Q3	04 - Q4	
YoY GAAP Revenue growth, as reported	27.7%	24.8%	23.6%	22.3%	14.9%	-1.9%	-16.8%	-17.3%	-12.3%	-4.3%	12.9%	12.8%	4.7%	7.1%	9.0%	14.4%	25.7%	26.9%	19.8%	12.4%	
Effect of excluding our current largest customer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YoY GAAP Revenue growth, excluding our largest customer	27.7%	24.8%	23.6%	22.3%	14.9%	-1.9%	-16.8%	-17.3%	-12.3%	-4.3%	12.9%	12.8%	4.7%	7.1%	9.0%	14.4%	25.7%	26.9%	19.8%	12.4%	
Effect of excluding the impact of foreign currency exchange	1.6%	3.0%	-0.9%	3.4%	6.1%	4.3%	4.1%	1.7%	-1.3%	0.2%	-2.9%	-1.0%	-0.9%	-3.7%	-2.0%	-3.3%	-7.6%	-6.8%	-3.8%	-4.1%	
YoY Core Revenue growth	29.3%	27.8%	22.7%	25.7%	21.0%	2.4%	-12.7%	-15.7%	-13.6%	-4.1%	10.0%	11.8%	3.8%	3.4%	7.0%	11.2%	18.1%	20.1%	16.0%	8.3%	

	04 - Q4	05 - Q1	05 - Q2	05 - Q3	05 - Q4	06 - Q1	06 - Q2	06 - Q3	06 - Q4	07 - Q1	07 - Q2	07 - Q3	07 - Q4	08 - Q1	08 - Q2	08 - Q3	08 - Q4
YoY GAAP Revenue growth, as reported	12.4%	4.1%	10.8%	13.0%	16.6%	19.3%	13.7%	15.9%	13.6%	10.9%	12.1%	12.4%	12.9%	12.4%	17.3%	16.6%	-1.3%
Effect of excluding our current largest customer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YoY GAAP Revenue growth, excluding our largest customer	12.4%	4.1%	10.8%	13.0%	16.6%	19.3%	13.7%	15.9%	13.6%	10.9%	12.1%	12.4%	12.9%	12.4%	17.3%	16.6%	-1.3%
Effect of excluding the impact of foreign currency exchange	-4.1%	-6.1%	-5.8%	-2.6%	-2.2%	3.7%	2.7%	-1.6%	-1.6%	-2.7%	-3.1%	-2.3%	-4.5%	-5.2%	-7.9%	-6.3%	0.8%
YoY Core Revenue growth	8.3%	-2.0%	5.0%	10.4%	14.4%	23.0%	16.4%	14.3%	12.0%	8.2%	9.0%	10.1%	8.4%	7.2%	9.4%	10.3%	-0.5%

	09 - Q1	09 - Q2	09 - Q3	09 - Q4	10 - Q1	10 - Q2	10 - Q3	10 - Q4	11 - Q1	11 - Q2	11 - Q3	11 - Q4	12 - Q1	12 - Q2	12 - Q3	12 - Q4
YoY GAAP Revenue growth, as reported	-18.2%	-27.7%	-23.3%	-0.3%	21.1%	39.1%	33.6%	24.0%	24.5%	19.6%	15.7%	11.2%	9.8%	15.4%	13.7%	8.0%
Effect of excluding our current largest customer	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.5%	-1.0%	-1.7%	-1.3%	-1.3%	-7.5%	-9.0%	-4.5%
YoY GAAP Revenue growth, excluding our largest customer	-18.2%	-27.7%	-23.3%	-0.3%	21.1%	39.1%	33.6%	24.0%	24.0%	18.6%	14.0%	10.0%	8.5%	7.9%	4.7%	3.6%
Effect of excluding the impact of foreign currency exchange	3.9%	6.2%	4.6%	0.0%	-5.5%	-6.9%	2.0%	-1.6%	1.1%	-3.9%	-5.8%	0.2%	-0.6%	2.8%	4.0%	0.3%
YoY Core Revenue growth	-14.3%	-21.5%	-18.6%	-0.2%	15.6%	32.3%	35.6%	22.4%	25.0%	14.7%	8.2%	10.2%	8.0%	10.7%	8.7%	3.9%

	13 - Q1	13 - Q2	13 - Q3	13 - Q4	14 - Q1	14 - Q2	14 - Q3	14 - Q4	15 - Q1	15 - Q2	15 - Q3	15 - Q4	16 - Q1	16 - Q2	16 - Q3	16 - Q4	17 - Q1
YoY GAAP Revenue growth, as reported	9.7%	1.3%	-0.3%	0.2%	-0.6%	5.6%	8.5%	10.6%	1.7%	-3.5%	-4.4%	0.5%	-0.8%	1.4%	2.2%	-1.7%	4.5%
Effect of excluding our current largest customer	0.1%	-0.6%	8.6%	4.1%	-1.2%	1.6%	-4.4%	-1.1%	1.0%	3.5%	3.5%	-0.7%	-1.4%	-1.7%	-0.6%	1.9%	1.7%
YoY GAAP Revenue growth, excluding our largest customer	9.8%	0.8%	8.3%	4.3%	-1.8%	7.2%	4.1%	9.6%	2.7%	0.0%	-0.9%	-0.2%	-2.2%	-0.3%	1.6%	0.2%	6.2%
Effect of excluding the impact of foreign currency exchange	-0.4%	0.9%	0.2%	0.7%	1.2%	-0.3%	-1.0%	2.3%	6.0%	6.2%	5.5%	4.5%	5.6%	3.0%	2.5%	2.4%	0.4%
YoY Core Revenue growth	9.5%	1.7%	8.5%	5.0%	-0.6%	6.9%	3.1%	11.9%	8.7%	6.3%	4.6%	4.3%	3.4%	2.7%	4.1%	2.6%	6.6%



