



**EMERSON**<sup>TM</sup>

# **Immediate, Compelling And Certain Value For NI Shareholders**

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**January 17, 2023**

## Dear NI Shareholder,

Our proposed all-cash acquisition of NI is a clear and certain path to realizing increased value from your investment in NI.

We are offering to acquire NI for \$53 per share, a 32% premium to NI's closing share price as of January 12, 2023, the day prior to NI's announcement of a strategic review and a 38% premium to the 30-day VWAP ending January 12, 2023.

Emerson has long admired NI as a technology leader in electronic test and measurement and believes combining our two companies would further develop our position as a premier global automation company.

In this presentation, we provide an overview of why we firmly believe that our offer enables you to achieve an immediate, high-premium return on your investment.

- Compelling Premium and Value: \$53 per share, all-cash
- Transaction Certainty: No financing contingency, no expected regulatory concerns
- Expedited Timeline: Ready to sign and announce quickly following substantive engagement by NI

Emerson is committed to pursuing this transaction. Emerson has made numerous attempts to engage constructively with NI in private since May 2022 and for eight months, NI delayed and evaded our efforts. In November, NI noted that it had created a working group of its Board to examine Emerson's proposal in greater detail, as well as evaluate options with the assistance of advisors – and then last week, nearly two months later, NI announced publicly that it is initiating a review and evaluation of strategic options with its advisors and has adopted a poison pill. While we would have preferred to reach an agreement privately, we are making our interest public for the benefit of all NI shareholders. As a sign of our commitment, Emerson has purchased 2.3 million shares of NI and we have received HSR approval to increase our stake.

We urge NI shareholders to engage with their Board to ensure this public strategic review process is not merely another delay tactic.

Regards,

**Lal Karsanbhai**  
**President and Chief Executive Officer**

# Emerson's Premium All-Cash Proposal Follows Repeated Engagement Attempts

## Compelling Premium And Value

- All-cash offer of \$53 per share
- 38% premium to NI's 30-day VWAP<sup>1</sup>

## Repeated Rejection And Limited Engagement

- **May:** proposed all-cash offer at \$48 per share – **rejected**
- **June:** requested access to additional information to find additional value – **rejected**
- **November:** increased all-cash offer to \$53 per share to reflect NI's updated guidance
- **January:** NI finally agreed to meet, only to provide high-level responses to reasonable questions – again **rejected** \$53 per share proposal

## Strong Commitment To Transaction

- Emerson acquired 2.3M shares of NI
- Received HSR approval to increase stake
- Willing to nominate directors for all seats up for election at NI's annual meeting if NI Board and management remain entrenched in their willingness to engage

## Deal Certainty

- No significant regulatory concerns anticipated
- No financing contingency

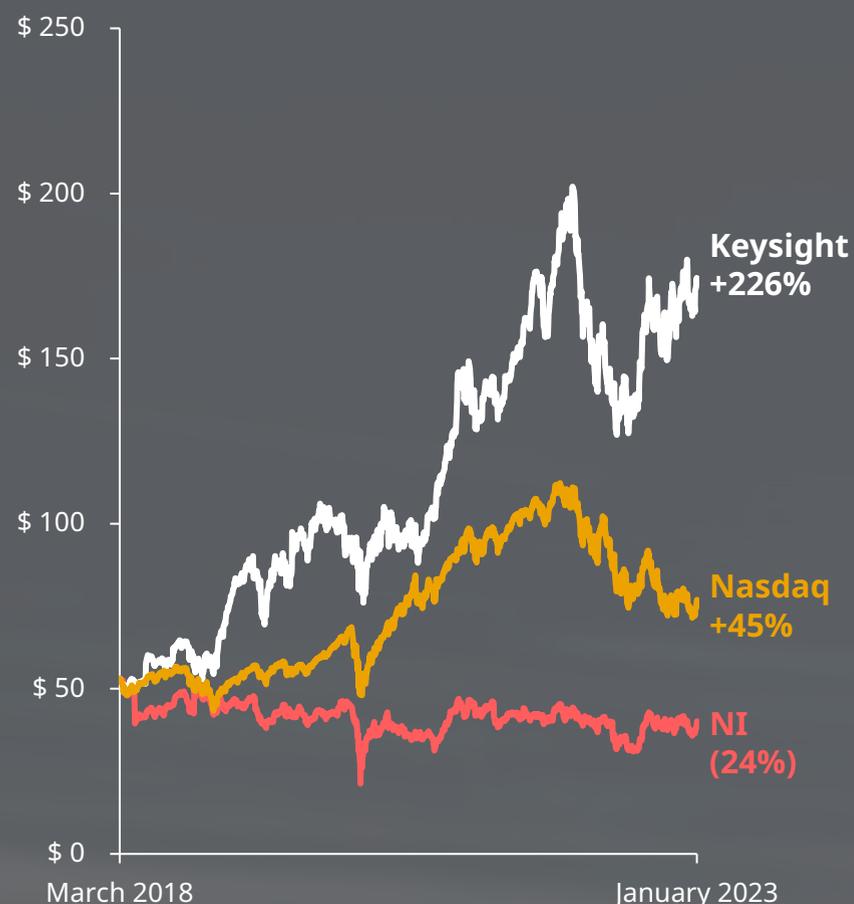
## Expedited Timeline

- Limited confirmatory due diligence
- Ready to sign and announce quickly

**We urge NI's shareholders to encourage the Board to have constructive and meaningful engagement with Emerson to pursue this highly compelling all-cash proposal**

# NI's Total Shareholder Return Has Materially Underperformed The Market And Its Key Peer

**NI Share Price**  
(Since March 2018 High)



**NI TSR Underperformance**

	vs. Nasdaq	vs. Keysight
Last 10 Years	(171%)	(423%) <sup>2</sup>
Last 5 Years	(49%)	(295%)
Since March 2018 High	(60%)	(241%)
Current Management Team <sup>1</sup>	(46%)	(196%)

NI share price and TSR performance has materially lagged the market and nearest peer since all-time high in March 2018

NI has traded below the Emerson \$53 per share offer for >99.5% of trading days since March 2018 high

After receiving Emerson's offer, NI completed its largest ever quarterly share repurchase (~2M shares at \$40.25), depriving investors of meaningful value<sup>3</sup>

Source: FactSet, Bloomberg, company filings; market data as of January 12, 2023; TSR considers cash dividends paid

<sup>1</sup> Since Eric Starkloff became President and COO on October 25, 2018

<sup>2</sup> Keysight started trading publicly on November 3, 2014, following separation from Agilent Technologies

<sup>3</sup> Per NI's 10-Q, repurchased 2.03M shares at a weighted average price of \$40.25 per share or a total of \$82M reflecting the largest quarterly share repurchase, on a total dollar basis, in NI's history

# \$53 Per Share All-Cash Offer Reflects Substantial Value And Provides Credit For NI's Updated Guidance

## Significant Deal Certainty



All-Cash Offer



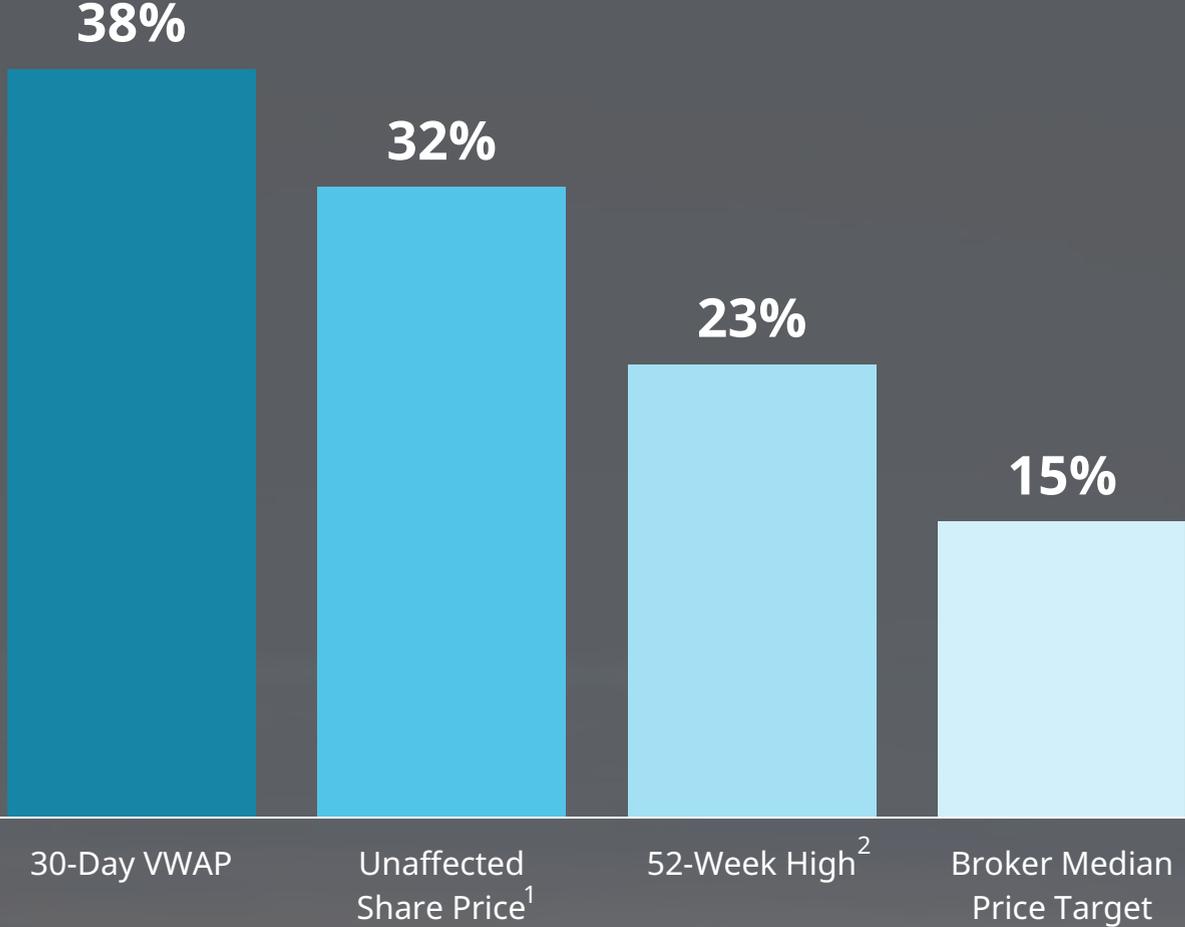
No financing contingency

No regulatory concerns anticipated due to complementary and adjacent portfolios

Need to complete only limited confirmatory public company due diligence

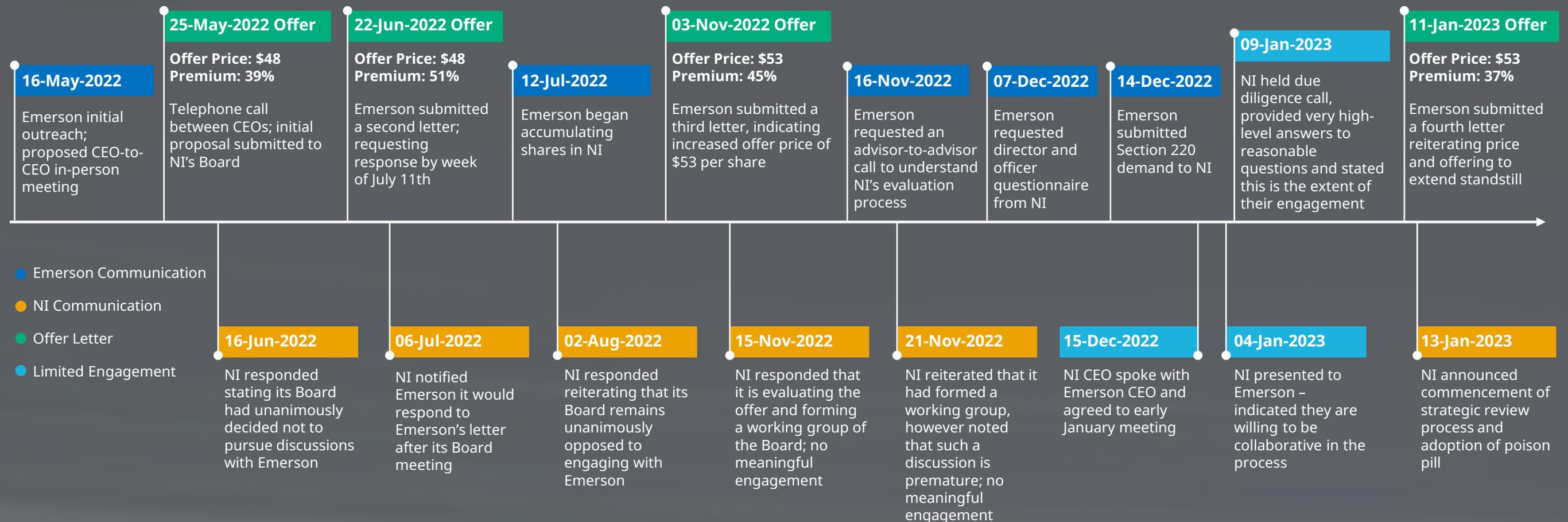
Prepared to engage immediately

## Attractive Premium



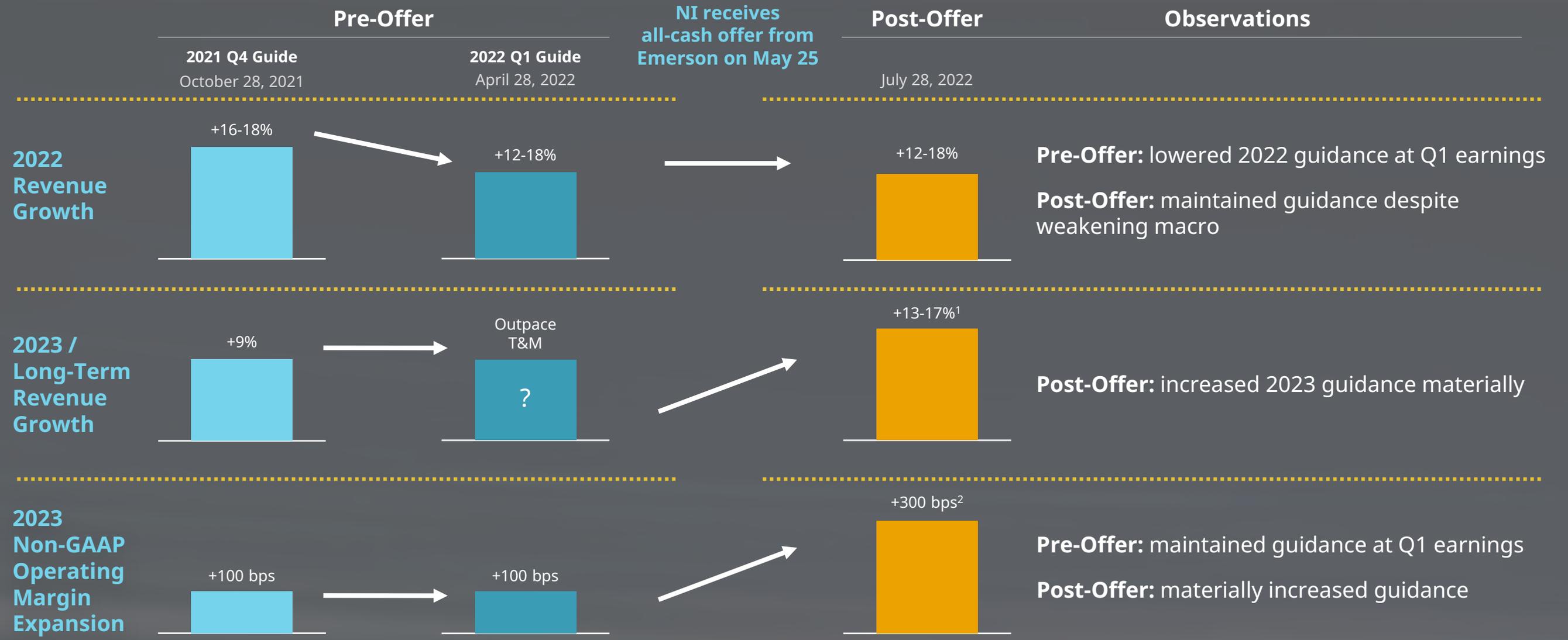
Source: Bloomberg; market data as of January 12, 2023  
1 Unaffected share price as of January 12, 2023  
2 52-week high represents intra-day pricing

# Continuous Effort To Engage Constructively Has Been Consistently Rejected



Premium is based on the price of NI common stock as of the close immediately prior to the applicable offer letter; share price data from Bloomberg

# NI Materially Increased Its Outlook After Our Approach



Source: Company filings  
 1 Per NI 2022 Investor Day on September 15, 2022  
 2 Per NI 2022 Q2 earnings

# Test & Measurement A Strategic, High-Growth Adjacency For Emerson

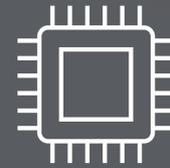
**\$35B**

M&A Priority TAM

**MSD**

Market Growth

## Market Verticals



Semiconductor



Aerospace / Defense



Automotive

## Focus Segments

Discrete and Modular Devices

Data Acquisition

Humidity and Gas Detection

Automated Test Equipment

## Growth Drivers



Ubiquity Of Semiconductor Chips



Autonomous / Electric Vehicles



Sustainability

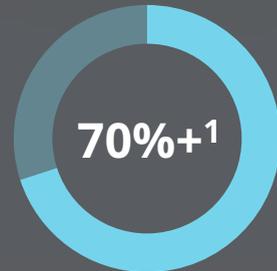


Battery Growth

# Overview Of NI



Revenue



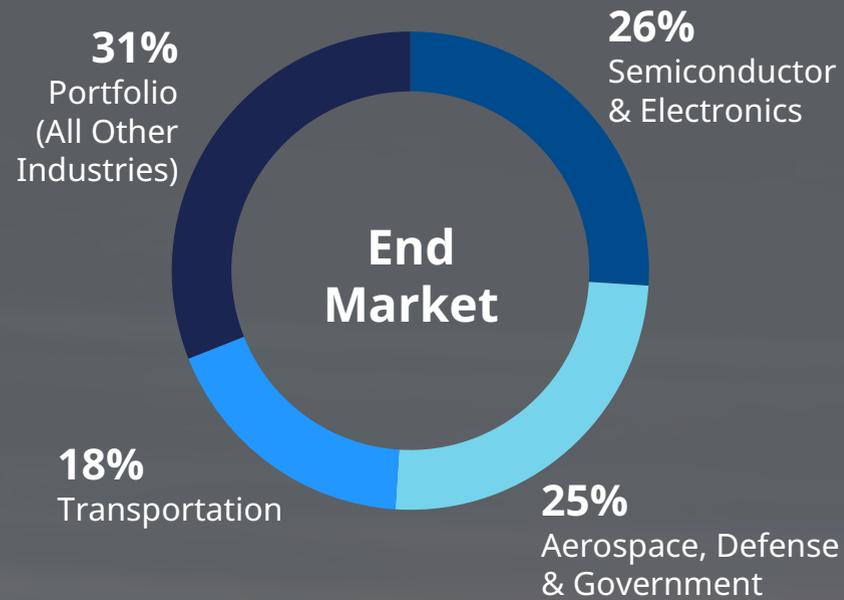
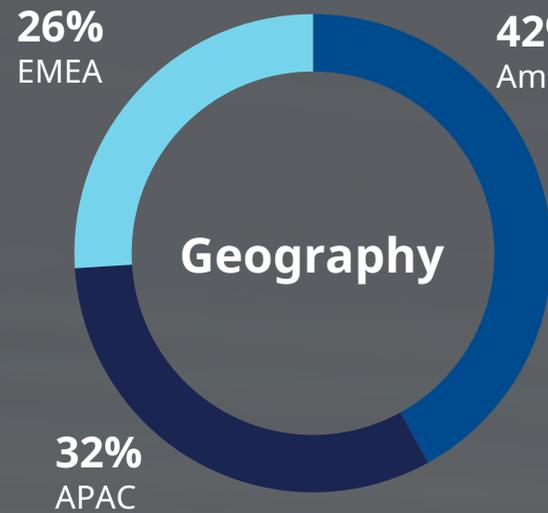
Gross Profit



Customers

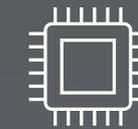


Employees



## Compelling Growth Vectors

### Market



Semiconductor



### Technology Inflection

5G, Wi-Fi, UWB



Automotive



ADAS /  
Autonomous Vehicles,  
Electric Vehicles



Aerospace / Defense



Cognitive Systems,  
Digital Transformation,  
Sensor Fusion

Source: Company filings; sales mix reflects 2022 Q1 through Q3 data  
<sup>1</sup> Based on 2022 consensus estimates

# Acquisition Advances Our Global Automation Focus

## Leading Automation Platform

Expands Emerson's portfolio to include automation of test & measurement processes

## Diversified End Market Exposure

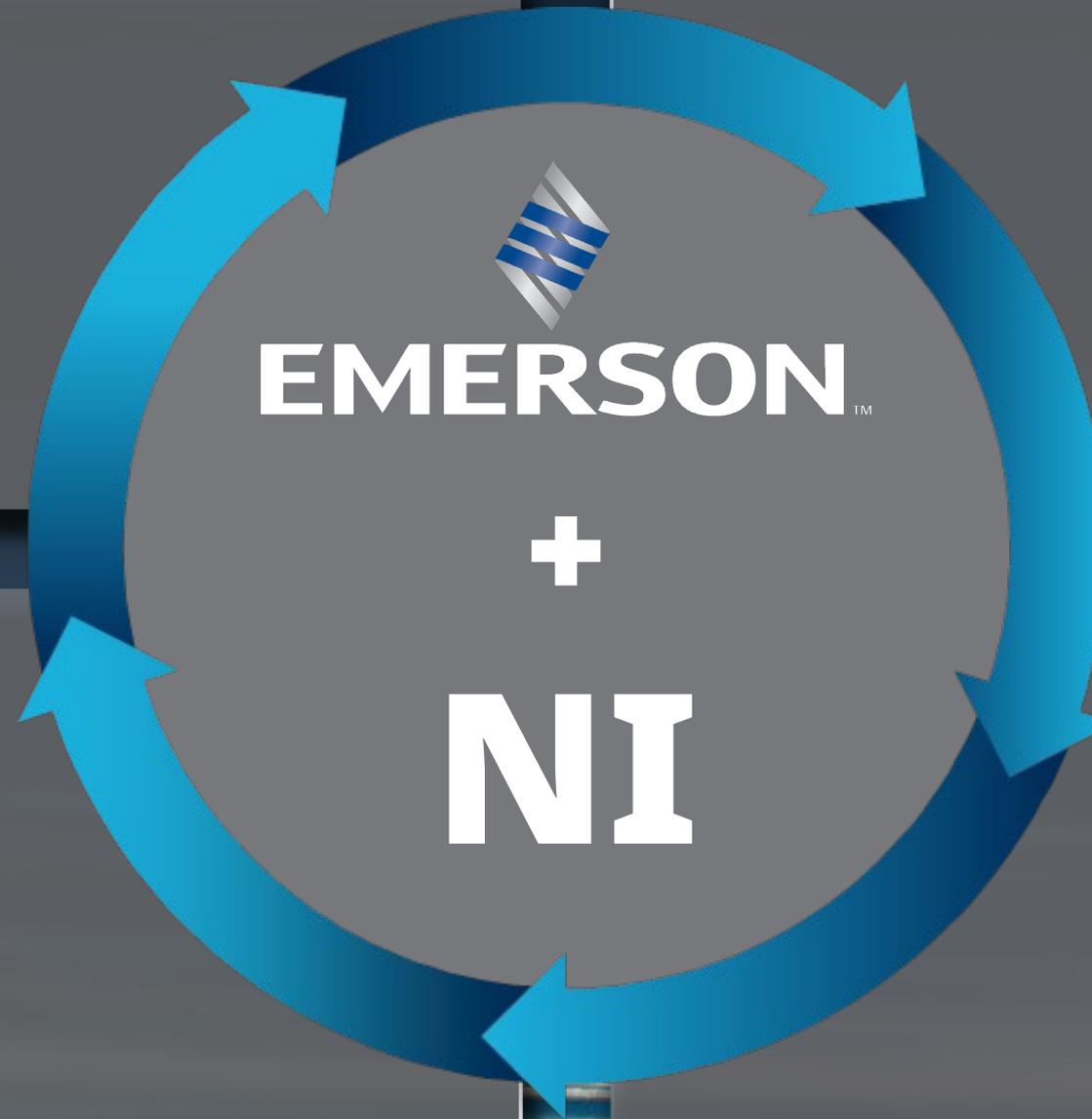
Exposure to semiconductor & electronics, aerospace & defense, and automotive & electric vehicles

## Attractive Financial Profile

~70% gross margins with clear opportunities to streamline R&D and SG&A costs through Emerson's operational excellence

## Complementary Technology Capabilities

NI's technology stack is highly regarded across intelligent devices, controls and software



# NI And Emerson Share Complementary Technology Stacks Of Industry-Leading Intelligent Devices, Controls And Software



**Software**

AspenTech

**Control**

DeltaV  
Ovation  
PACSystems

**Intelligent Devices**

Micro Motion  
Rosemount  
ASCO  
Fisher

## NI

**Software**

LabVIEW  
Optimal +  
TestStand  
FlexLogger

**Control**

PXI Controllers  
CompactRIO  
CompactDAQ

**Intelligent Devices**

Oscilloscopes  
RF Generators  
Spectrum Analyzers  
Multimeters



# Opportunity For Enhanced Innovation; Emerson Brings Track Record Of Multiple Successes

**NI**

## LabVIEW NXG

2017 – 30+ years after LabVIEW's original release

Next-generation integrated development environment that would succeed LabVIEW

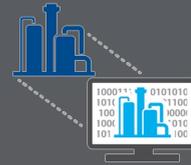
Significant investment of **non-reoccurring engineering and R&D**

LabVIEW NXG **failed to gain traction**

NI announced in 2020 it **would not release any new versions** of the product beyond 2021

Misstep occurred during a time of exceptional growth through innovation by peers such as **Keysight who successfully launched products tailored to the 5G transition**

## Emerson Has Track Record Of Innovation And Successfully Launching New Products



### Ovation Digital Twin

Digital model of physical assets  
40K+ MW of digital-twin supported generation



### DeltaV PK Controller

Modular control for process and hybrid applications  
5K+ controllers sold



### Fisher DLC3100

Digital level control with dynamic temperature compensation  
Device diagnostics and local operator interface



### Micro Motion CMFS Sensor

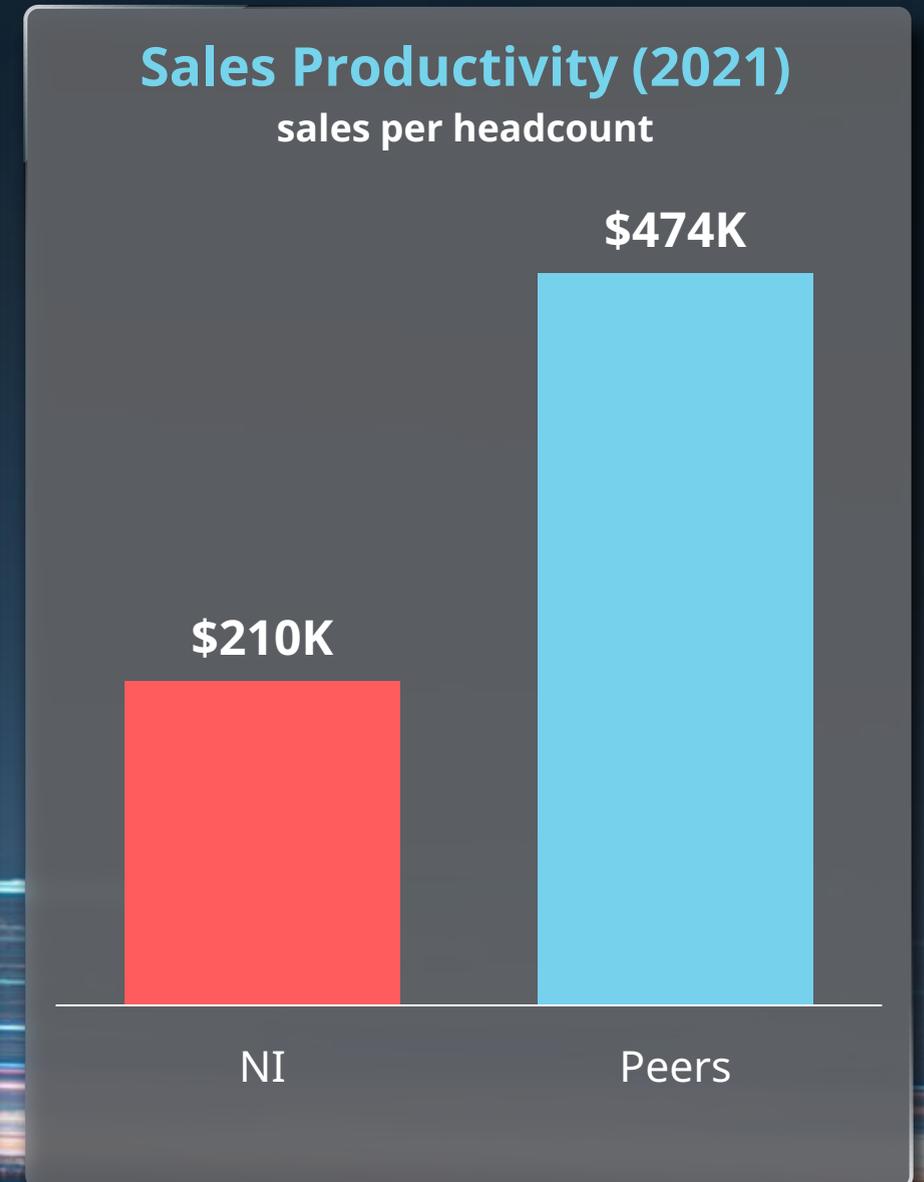
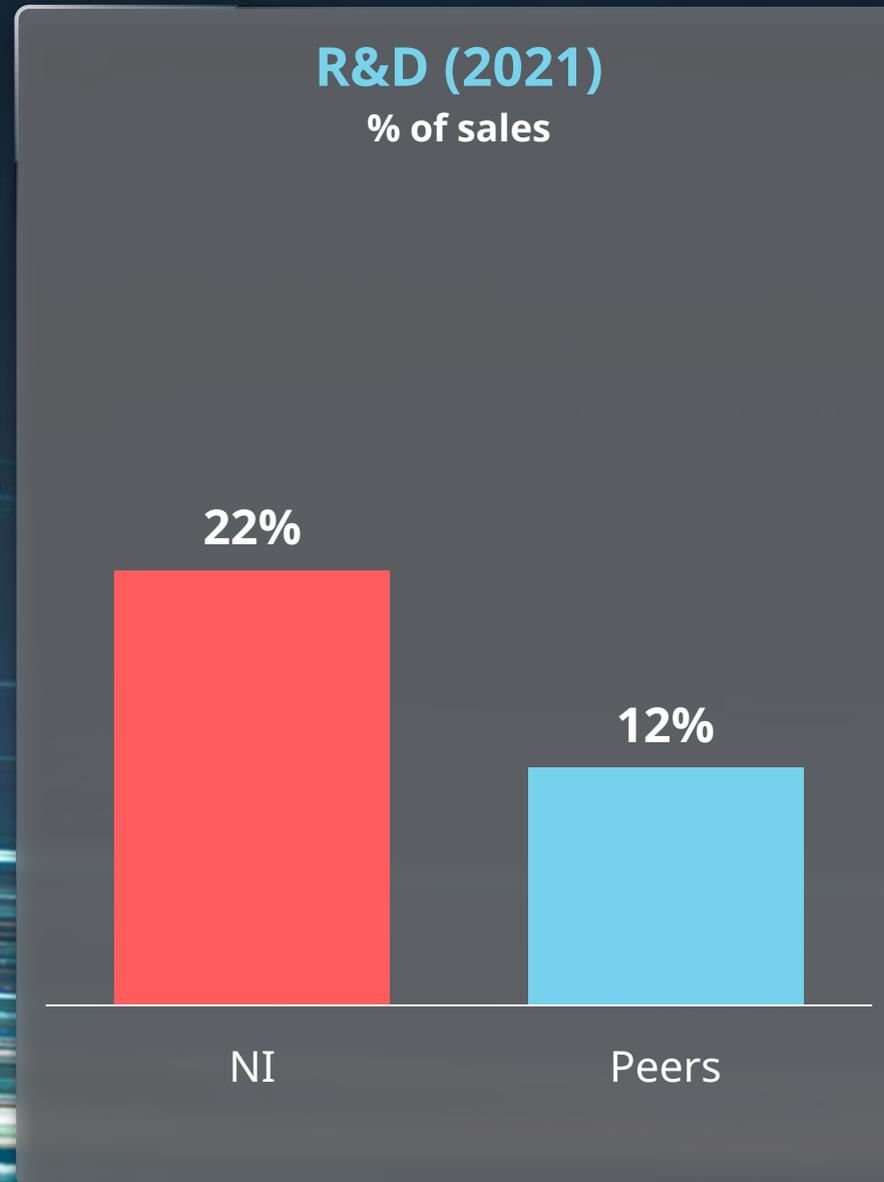
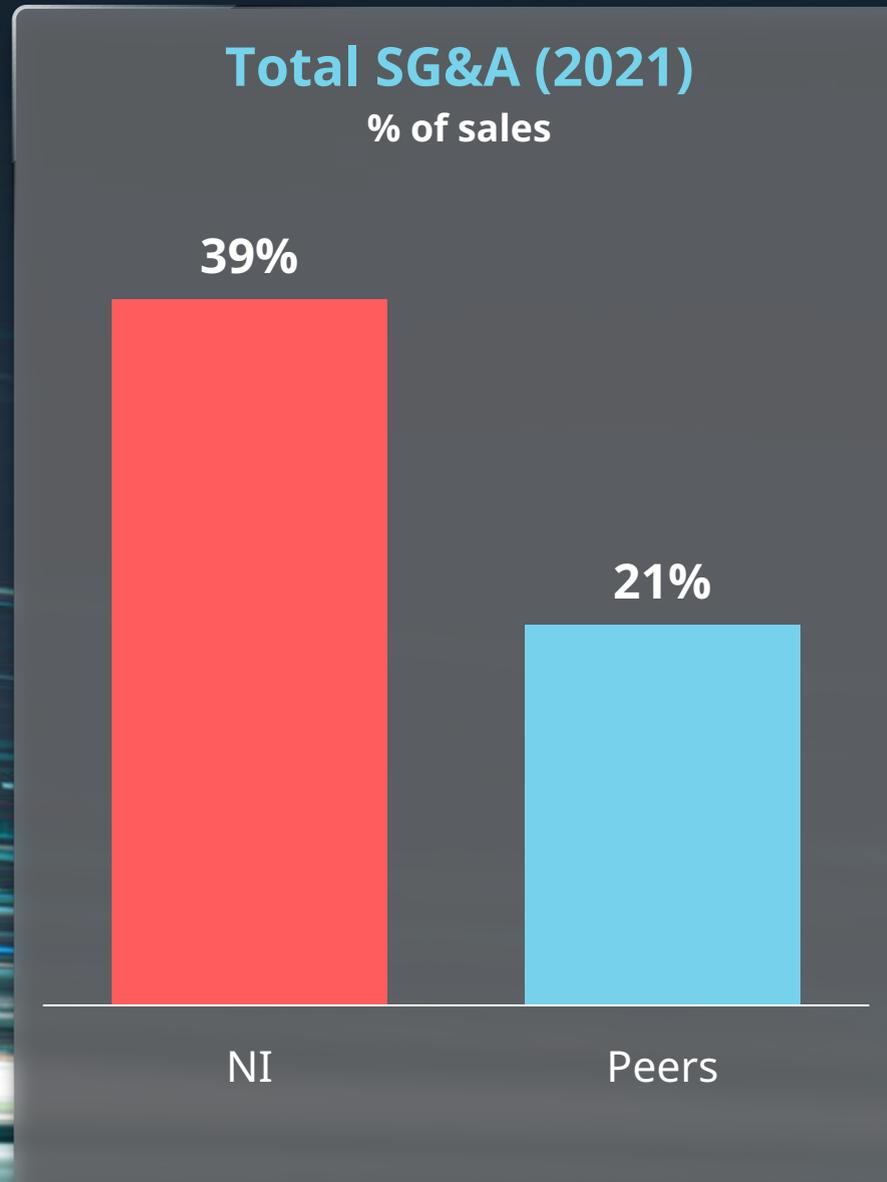
Compact form factor Coriolis meter up to 1.5" with improved robustness and accuracy  
Hygienic, cryogenic and high-pressure applications



### ASCO Series 290 Angle Valve

Stainless steel air operated actuator  
FDA certified for sanitary conditions

# NI Has Significant Opportunities To Improve Cost Structure And Sales Productivity



Source: Company filings; all figures reflect December 31 year end;  
USD / JPY conversion reflects 2021 average rate  
Peers: Advantest, Anritsu, Keysight, Teradyne

# Emerson's Management System Will Enhance NI's Operational Execution

## Top Tier Margins

LTM Adjusted EBITDA Margin

25%



20%



## History Of Execution Over Time

2018-2022 Adjusted EBITDA Margin Expansion<sup>1</sup>

+600 bps



NI

(230 bps)

## Significant Free Cash Flow Generation

LTM Free Cash Flow Conversion

108%<sup>2</sup>



NI

(3%)

Source: Company filings; LTM as of September 30, 2022; Emerson reflects continuing operations; adjusted EBITDA for NI defined as EBITDA plus acquisition costs minus gains on sales of assets; all figures burdened by stock-based compensation; Emerson peers: ABB, Honeywell, Rockwell  
 1 2018-2022 LTM as of September 30  
 2 Excluding discrete items (Vertiv gain and taxes paid, and Russia business exit)

# Significant Synergy And Immediate Value Creation Opportunity For Emerson Shareholders



Source: Company filings; financial metrics are adjusted non-GAAP metrics as of NI fiscal year 2021

# We Are Prepared To Engage Immediately And Have Organized The Resources To Move Towards A Transaction Expeditiously

## Diligence

Emerson performed outside-in due diligence on NI  
Limited and specific confirmatory due diligence requirements only

## Timing

Ready to begin confirmatory due diligence  
Would work towards signing and announcing a definitive agreement quickly

## Regulatory

Do not anticipate any significant regulatory risks or delays  
Received HSR approval to further increase stake

## Financing

Proposal is not subject to any financing conditions  
Emerson is an A2/A rated company with a strong balance sheet  
We have obtained a Highly Confident Letter from Goldman Sachs

## Certainty

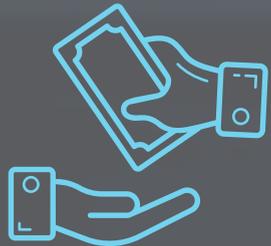
Board of Directors has reviewed and supports the proposed transaction  
Emerson shareholder approval will not be required

**We urge NI's shareholders to encourage the Board to have constructive and meaningful engagement with Emerson to pursue this highly compelling all-cash proposal**

# NI Shareholders Can Act Now To Achieve A Certain, Cash Deal



Attractive all-cash offer at a **38% premium**<sup>1</sup>



**High certainty deal** – all cash, no financing contingency, highly complementary business



We urge NI's Board and management to have constructive and meaningful engagement with Emerson to **realize value for shareholders**



Emerson committed to completing a transaction, already **owns 2.3M shares** and prepared to **nominate directors for election to NI Board**

Source: Bloomberg  
1 Premium to 30-day VWAP as of January 12, 2023

# Additional Information And Where To Find It

This communication relates to a proposal which Emerson Electric Co. ("Emerson") has made for a business combination transaction with the Company (the "Proposed Transaction"). It is anticipated that Emerson, together with the participants named therein, will file a proxy statement and accompanying WHITE proxy card with the Securities and Exchange Commission ("SEC") to be used to solicit votes for the election of a slate of director nominees identified and nominated by Emerson (the "Nominees") at the 2023 annual meeting of stockholders of National Instruments Corporation, a Delaware corporation (the "Company") and may file other proxy statements and/or other documents.

This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. This communication is not a substitute for any proxy statement or other documents Emerson may file with the SEC in connection with the election of the Nominees or the Proposed Transaction.

BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY ANY PROXY STATEMENT(S) AND/OR OTHER DOCUMENTS IF AND WHEN THEY ARE FILED BY EMERSON, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, IN CONNECTION WITH THE ELECTION OF THE NOMINEES AND/OR THE PROPOSED TRANSACTION, BECAUSE THESE DOCUMENTS CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE ELECTION OF THE NOMINEES, THE PROPOSED TRANSACTION, AND RELATED MATTERS. **Any definitive proxy statement(s) (including any WHITE proxy card enclosed with any definitive proxy statement(s) or supplements filed and/or disseminated by Emerson) (if and when available) will be mailed or otherwise made available to stockholders of the Company.** Investors and security holders will be able to obtain free copies of these documents filed with the SEC if and when available without charge through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov) or, in the case of documents filed by Emerson, by contacting the investor relations department of Emerson:

Emerson  
8000 West Florissant Avenue, P.O. Box 4100  
St. Louis, MO  
[www.emerson.com/en-us/investors](http://www.emerson.com/en-us/investors)

Investor Relations:  
Colleen Mettler, Vice President  
(314) 553-2197

Innisfree M&A Incorporate  
Scott Winter / Jonathan Salzberger  
(212) 750-5833

## Participants in the Solicitation

Emerson and the Nominees are anticipated to be participants in the solicitation of proxies in connection with the election of the Nominees as directors of the Company.

Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of proxies in connection with the election of the Nominees as directors of the Company and/or the Proposed Transaction, including a description of their direct or indirect interests in such matters, by security holdings or otherwise, will be set forth in any proxy statement(s) and other relevant materials related to such matters if and when they are filed with the SEC.

# Additional Information And Where To Find It

## Caution Concerning Forward-Looking Statements

This communication contains “forward-looking” statements as that term is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act, as amended by the Private Securities Litigation Reform Act of 1995. All statements, other than historical facts, are forward-looking statements, including: statements regarding the expected timing and structure of the proposed transaction; the ability of the parties to negotiate, enter into and complete the proposed transaction; the expected benefits of the proposed transaction, such as improved operations, enhanced revenues and cash flow, synergies, growth potential, market profile, business plans, expanded portfolio and financial strength; the competitive ability and position of Emerson following completion of the proposed transaction; legal, economic and regulatory conditions; and any assumptions underlying any of the foregoing. Forward-looking statements concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words “may,” “will,” “should,” “potential,” “intend,” “expect,” “endeavor,” “seek,” “anticipate,” “estimate,” “overestimate,” “underestimate,” “believe,” “plan,” “could,” “would,” “project,” “predict,” “continue,” “target” or other similar words or expressions or negatives of these words, but not all forward-looking statements include such identifying words. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. We can give no assurance that such plans, estimates or expectations will be achieved and therefore, actual results may differ materially from any plans, estimates or expectations in such forward-looking statements. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others: (1) the outcome of any discussions between Emerson and the Company with respect to the proposed transaction, including the possibility that the parties will not agree to pursue a business combination transaction or that the terms of any such transaction will be materially different from those described herein, (2) that one or more closing conditions to the proposed transaction, including certain regulatory approvals, may not be satisfied or waived, on a timely basis or otherwise, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the proposed transaction, may require conditions, limitations or restrictions in connection with such approvals or that any required approval by the stockholders of the Company may not be obtained; (3) the risk that the proposed transaction may not be completed in the time frame expected, or at all; (4) unexpected costs, charges or expenses resulting from the proposed transaction; (5) uncertainty of the expected financial performance of Emerson following completion of the proposed transaction; (6) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the proposed transaction or integrating the business of the Company with the business of Emerson; (7) the ability of Emerson to implement its business strategy; (8) difficulties and delays in achieving revenue and cost synergies; (9) inability to retain and hire key personnel; (10) the occurrence of any event that could give rise to termination of the proposed transaction; (11) potential litigation in connection with the proposed transaction or other settlements or investigations that may affect the timing or occurrence of the contemplated transaction or result in significant costs of defense, indemnification and liability; (12) evolving legal, regulatory and tax regimes; (13) changes in economic, financial, political and regulatory conditions, in the United States and elsewhere, and other factors that contribute to uncertainty and volatility, natural and man-made disasters, civil unrest, pandemics (e.g., the coronavirus (COVID-19) pandemic (the “COVID-19 pandemic”)), geopolitical uncertainty, and conditions that may result from legislative, regulatory, trade and policy changes associated with the current or subsequent U.S. administration; (14) the ability of Emerson and the Company to successfully recover from a disaster or other business continuity problem due to a hurricane, flood, earthquake, terrorist attack, war, pandemic, security breach, cyber-attack, power loss, telecommunications failure or other natural or man-made event, including the ability to function remotely during longterm disruptions such as the COVID-19 pandemic; (15) the impact of public health crises, such as pandemics (including the COVID-19 pandemic) and epidemics and any related company or governmental policies and actions to protect the health and safety of individuals or governmental policies or actions to maintain the functioning of national or global economies and markets, including any quarantine, “shelter in place,” “stay at home,” workforce reduction, social distancing, shut down or similar actions and policies; (16) actions by third parties, including government agencies; (17) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the transaction; (18) the risk that disruptions from the proposed transaction will harm Emerson’s and the Company’s business, including current plans and operations; (19) certain restrictions during the pendency of the acquisition that may impact Emerson’s or the Company’s ability to pursue certain business opportunities or strategic transactions; (20) the ability to meet expectations regarding the accounting and tax treatments of the proposed transaction; and (21) other risk factors as detailed from time to time in Emerson’s and the Company’s reports filed with the SEC, including Emerson’s and the Company’s annual report on Form 10-K, periodic quarterly reports on Form 10-Q, periodic current reports on Form 8-K and other documents filed with the SEC. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in any proxy statement(s) and other relevant materials related to the proposed transaction if and when they are filed with the SEC. While the list of factors presented here is, and the list of factors to be presented in any such proxy statement(s) or materials will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Any forward-looking statements speak only as of the date of this communication. Emerson undertakes no obligation to update any forward-looking statements, whether as a result of new information or development, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.