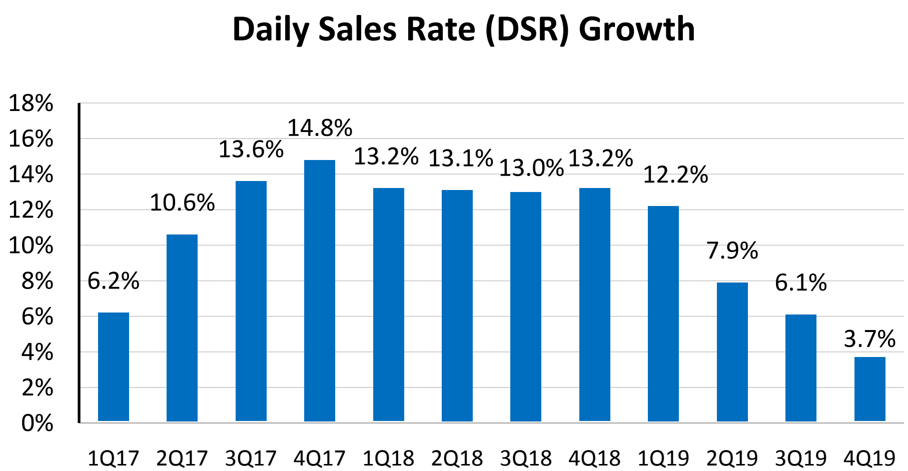
Investor Teleconference Presentation
Fourth Quarter 2019

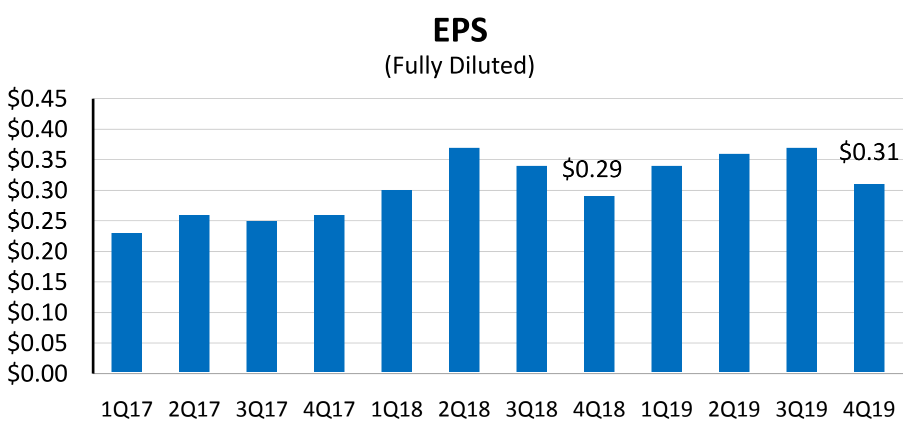

Fastenal Company
January 17, 2020

Safe Harbor Statement

All statements made herein that are not historical facts (e.g., goals regarding Onsite and vending signings as well as expectations regarding operations, including capital expenditures) are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially. More information regarding such risks can be found in the Form 10-K for Fastenal Company for the year ended December 31, 2018 filed with the Securities & Exchange Commission and our earnings release issued on January 17, 2020. Any numerical or other representations in this presentation do not represent guidance by management and should not be construed as such. The appendix to the following presentation includes a discussion of certain non-GAAP financial measures. Information required by Regulation G with respect to such non-GAAP financial measures can be found in the appendix.

CEO Messages on 4Q19

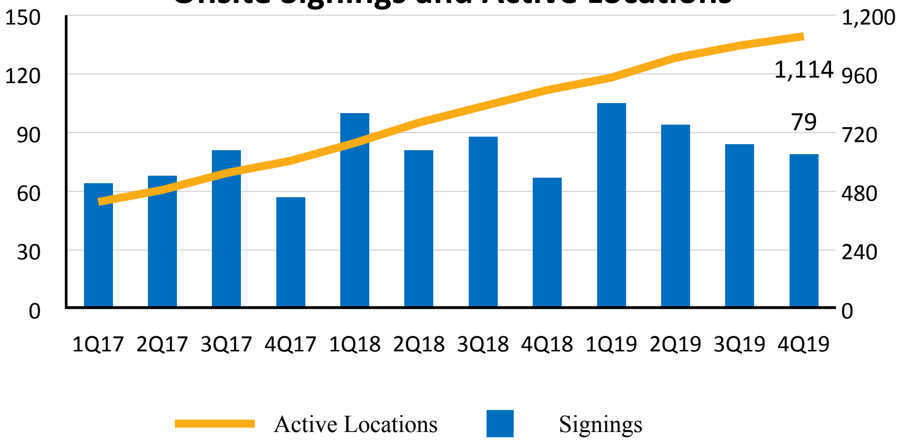




- *Observations on the business.*
- *4Q19 business activity slowed further. December weakness was likely overstated by holiday timing and customer shut-downs. Feedback from field personnel suggests slow conditions will continue into 1H20.*
- *Despite slower sales in a seasonally lower-volume period, we leveraged operating costs. The organization continues to focus on controlling costs as a means of financing further investment in growth drivers.*
- *Moderation in the challenges of inflation and tariffs and our improved internal ability to manage these variables has stabilized price/cost.*
- *We enjoyed strong cash flow for the quarter and the year, as weaker demand and internal efforts to reduce inventory lowered working capital needs. We reduced our debt in 4Q19 and have raised our 1Q20 dividend by 13.6% from 4Q19.*

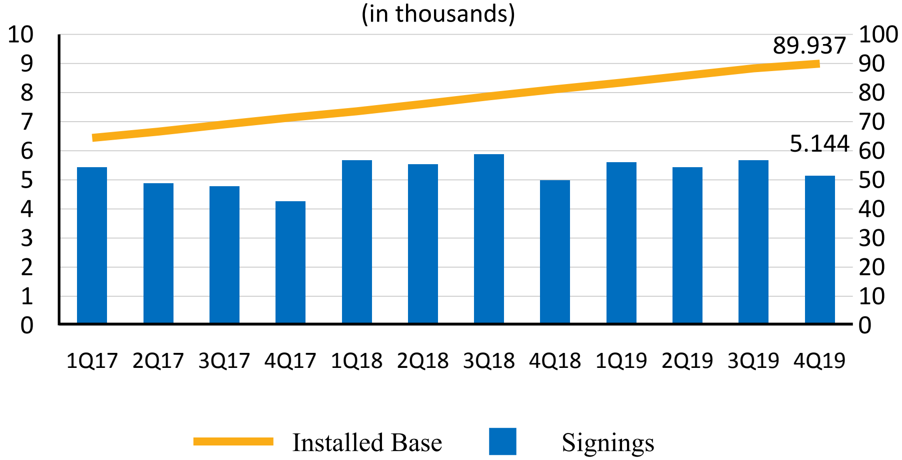
4Q19 Growth Driver Update

Onsite Signings and Active Locations



Vending Device Signings and Installed Base[2]

(in thousands)



- ***Onsites**: we signed 79 in 4Q19 and 362 in 2019; the latter is just below our 375 to 400 goal. We finished the period with 1,114 active sites, +24.6% from 4Q18. Sales growth, excluding transferred branch sales, was up low-double digits with weak demand impacting more mature sites. Our 2020 goal is 375 to 400 signings.*

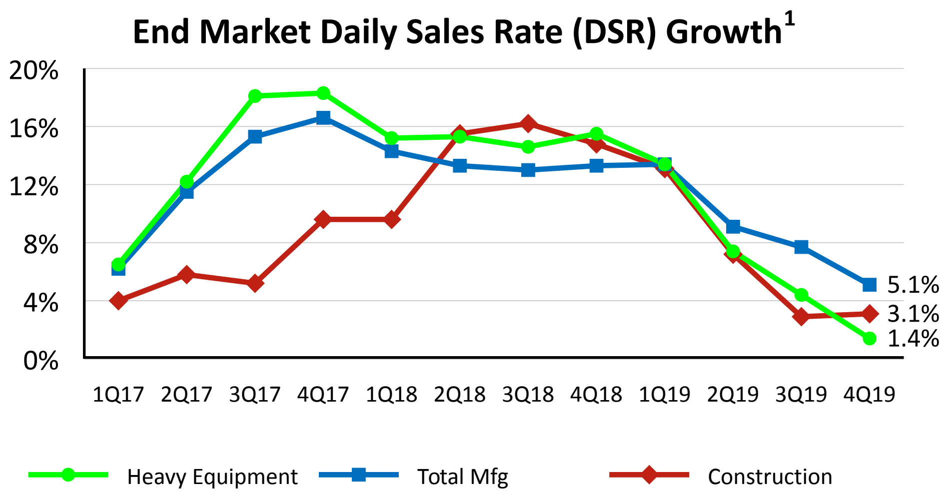
- *Total in-market[1] locations were 3,228 at the end of 4Q19, up from 3,121 at 4Q18. We closed/converted 36 traditional branches and 26 Onsites in 4Q19. We routinely review and address active but underperforming sites.*

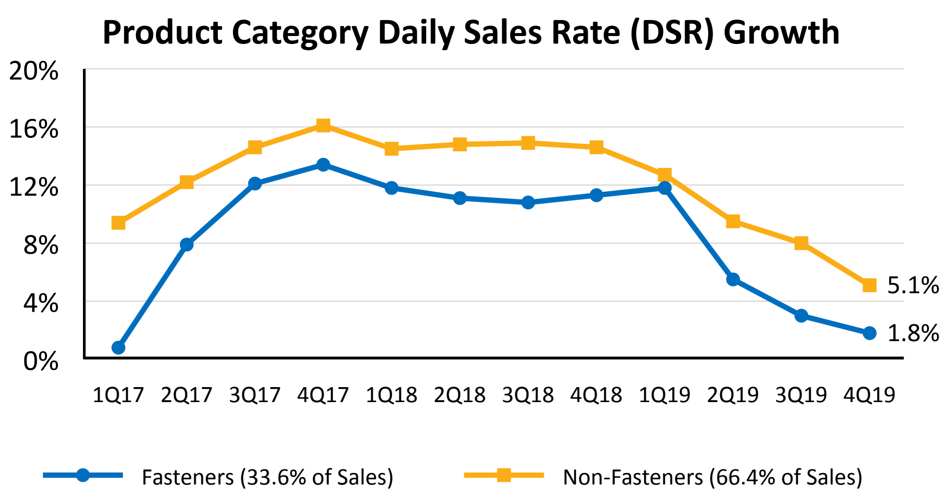
- ***Vending**: we signed 5,144 devices in 4Q19 and 21,857 in 2019, in line with our goal of 22,000 device signings. Our installed base finished at 89,937, +10.8% from 4Q18. Product sales through our devices were up low double-digits. Our 2020 goal is 22,000 to 24,000 device signings.*

- ***E-commerce**: sales were +25% in 4Q19 versus 4Q18. For full year 2019, e-commerce sales were +32%, including +35% with our national account customers.*

[1] In-market locations include public branches (U.S. and ROW) plus Onsites
[2] Data excludes ~15K vending devices related to a leased locker program

4Q19 Business Cadence





- *U.S. PMI was 47.2 in December and averaged 47.9 in 4Q19, down from 3Q19 (49.4) and 4Q18 (57.0). U.S. Industrial Production (IP) in Oct/Nov. 2019 was -0.4% vs. 3Q19 and -1.1% versus 4Q18. The challenging environment for our business is reflected in the sub-50 PMI and declining IP.*
- *Manufacturing daily sales were +5.1% in 4Q19. Slower activity was broad-based, with heavy equipment, metals and transportation notably weaker than 3Q19. Non-Residential Construction daily sales were +3.1%, generally stable with the preceding quarter.*
- *National Accounts' daily sales were +8.2% in 4Q19, with 57 of our Top 100 customers growing. Growth (+4.9%) and participation (49 of our Top 100 grew) both slowed in December related to extended holiday shutdowns among our largest customers.*
- *Non-National Account daily sales declined approximately 2.0%, with 53.5% of our branches growing in 4Q19 (versus 65.6% in 4Q18). Results were more difficult in December.*

[1] In July 2017, we reclassified certain end market designations. Values shown in the chart at the top of this page will differ from prior presentations.

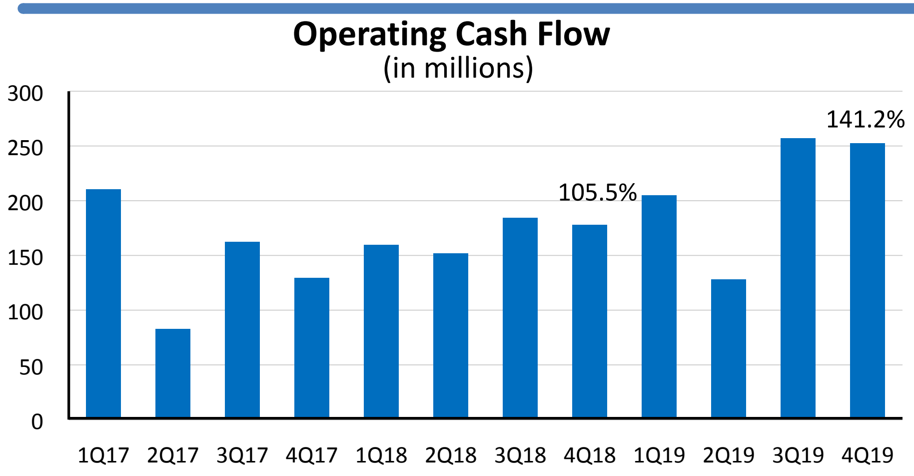
4Q19 Results Summary

Annual Rates of Change Dollar amounts in millions, except per share amounts	4Q19	4Q18	% Chg.
Net Sales	$1,276.9	$1,231.6	3.7%
DSR Yr./Yr. % Chg.	—	—	3.7%
Gross Profit	$598.4	$587.8	1.8%
Gross Profit Margin	46.9%	47.7%	(80) bps
Employee-Related Exp.	—	—	2.4%
Occupancy-Related Exp.	—	—	3.4%
All Other Oper/Admin Exp.	—	—	(6.5%)
Operating Income	$238.9	$233.4	2.4%
Operating Income Margin	18.7%	19.0%	(30) bps
EPS (Fully-Diluted)	$0.31	$0.29	5.4%
Onsite Signings	79	67	17.9%
Vending Device Signings	5,144	4,980	3.3%
Branch Count	2,114	2,227	(5.1%)
In-market location FTE	12,236	12,211	0.2%
Total FTE	18,968	18,704	1.4%
Operating Cash Flow	$252.4	$178.0	41.8%
% of Net Earnings	141.2%	105.5%	—
Capital Expenditures (Net)	$60.5	$78.0	(22.4%)
Dividends	$126.3	$114.4	10.4%
Dividends Per Share	$0.22	$0.20	10.0%
Share Repurchases	—	$62.6	—
Total Debt	$345.0	$500.0	(31.0%)
Tot. Debt/Capital	11.5%	17.8%	—

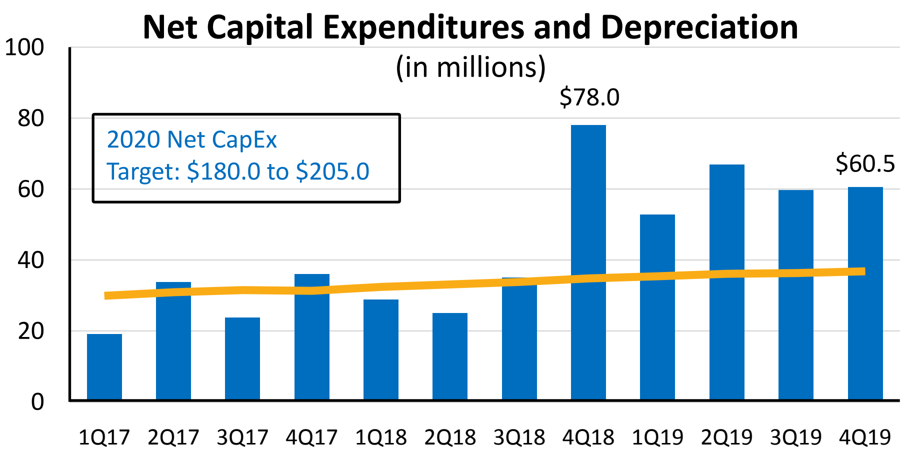
Percentage calculations may not be able to be reproduced due to rounding of dollar values.

- *The 4Q19 gross margin was 46.9%, –80 bps annually mostly due to product and customer mix. Gross margin was –30 bps sequentially, slightly more than expected. A challenging environment resulted in lower freight revenues, and so higher net freight expenses, than anticipated.*
- *Pricing conditions in 4Q19 were consistent with the prior quarter and price/cost was mostly neutral in the period. The slowing in business activity and a more favorable tone around trade has moderated inflationary pressures.*
- *The 4Q19 operating margin was 18.7%, –30 bps from 4Q18. Operating cost leverage was 60 bps. Operating expenses as a percent of sales were a record low for any 4Q, reflecting good cost control that supports further investment in growth drivers even during a period of slower growth.*
- *Headcount growth eased to +1.4% (FTE and absolute), a reasonable level given current demand and the build out of our Onsite network. We leveraged employee costs on lower growth-driven incentive pay, and we leveraged general corporate costs with lower bad debt expense and absence of certain legal and foreign costs offsetting higher IT spend.*

4Q19 Cash Flow Profile



*** Percentages above the bar represent OCF as a % of Net Earnings**



Net Capital Expenditures = Property & Equipment, net of Proceeds from Sales

Depreciation Net Capital Expenditures

- *4Q19 operating cash flow was $252.4, or 141.2% of net earnings in the period. Lower working capital needs as growth slowed and, to a lesser extent, higher earnings contributed. For full year 2019, operating cash flow was 106.5% of net earnings.*
- *Inventory was +6.9%, three-quarters of which related to Onsites to support growth. Hub inventory growth slowed on efforts to reduce inventory. Accounts receivable were +3.9%. Moderating demand also reduced the need for working capital assets in the period.*
- *Net capital spending in 2019 was $239.8, +43.8%. This exceeded our target range of $195.0 to $225.0 with slightly higher spending in each area - hub capacity, vehicles, and vending equipment - that contributed to the planned full year increase. In 2020, we anticipate net capital spending of between $180.0 and $205.0.*
- *We returned $126.3 of capital to shareholders via dividends in 4Q19. Debt finished 4Q19 at 11.5% of total capital, well below the levels in both 4Q18 (17.8%) and 3Q19 (14.7%).*

Appendix

Non-GAAP Financial Measures

The appendix includes information on our Return on Invested Capital (‘ROIC’), which is a non-GAAP financial measure. We define ROIC as net operating profit less income tax expense divided by average invested capital over the trailing 12 months. We believe ROIC is a useful financial measure for investors in evaluating the efficiency and effectiveness of our use of capital and believe ROIC is an important driver of shareholder return over the long-term. Our method of determining ROIC may differ from the methods of other companies, and therefore may not be comparable to those used by other companies. Management does not use ROIC for any purpose other than the reasons stated above.

The tables that follow on page 9 include a reconciliation of the calculation of our return on total assets (‘ROA’) (which is the most closely comparable GAAP financial measure) to the calculation of our ROIC for the periods presented.

On December 22, 2017, new tax legislation commonly referred to as the Tax Cuts and Jobs Act (the 'Tax Act') was signed into law. The information presented on the appendix including the impact of the Tax Act noted on page 9 is a non-GAAP financial measure. Management believes reporting this measure will help investors understand the effect of tax reform on comparable reported results.

Stock Split

Share and per share information in this document has been adjusted to reflect the two-for-one stock split effective at the close of business on May 22, 2019.

Return on Invested Capital*

Calculation of Return on Invested Capital

(Amounts in millions)	TTM 4Q19	TTM 4Q18
Operating Income	$ 1,057.2	999.2
(Income Tax Expense)	(252.8)	(235.1)
Tax Act Adjustment[1]	—	(7.0)
NOPAT	$ 804.4	757.1
Total Current Assets	$ 2,386.7	2,126.0
Cash and Cash Equivalents	(171.1)	(142.1)
Accounts Payable	(193.2)	(170.6)
Accrued Expenses	(246.2)	(217.4)
Property & Equipment, Net	974.0	909.2
Other Assets	313.8	308.4
Invested Capital	$ 3,064.0	2,813.5
ROIC	**26.3%**	**26.9%**

We include operating lease right-of-use assets related to adoption of ASC 842 as of January 1, 2019. The value prior to adoption is estimated. Adoption reduces our TTM4Q18 ROIC by roughly 2.4% and our TTM4Q18 ROA by roughly 1.6%.

[1] Reflects exclusion of one-time discrete items in 2018 related to the Tax Act for purposes of comparison.

Reconciliation of ROIC to Return on Assets (ROA)

(Amounts in millions)	TTM 4Q19	TTM 4Q18
Net Earnings	$ 790.9	751.9
Total Assets	$ 3,674.5	3,343.6
ROA	**21.5%**	**22.5%**
NOPAT	$ 804.4	757.1
Add: Income Tax Expense	252.8	235.1
Subtract: Tax Act Adj.[1]	—	7.0
Operating Income	1,057.2	999.2
Add: Interest Income	0.4	0.4
Subtract: Interest Expense	(13.9)	(12.6)
Subtract: Income Tax Expense	(252.8)	(235.1)
Net Earnings	**$ 790.9**	**751.9**
Invested Capital	$ 3,064.0	2,813.5
Add: Cash and Cash Equivalents	171.1	142.1
Add: Accounts Payable	193.2	170.6
Add: Accrued Expenses	246.2	217.4
Total Assets	**$ 3,674.5**	**3,343.6**

*Amounts may not foot due to rounding differences.

Sequential Trends*

DSR BENCHMARKS	Jan.**	Feb.	Mar.	Cum. Chg., Jan. to Mar.	Apr.	May	June	Cum. Chg., Jan. to Jun.	July	Aug.	Sep.	Cum. Chg., Jan. to Sep.	Oct.	Cum. Chg., Jan. to Oct.	Nov.	Dec.
2020 BENCHMARK	(1.0%)	1.2%	3.1%	4.3%	0.1%	1.7%	1.8%	8.1%	(3.4%)	3.3%	2.2%	10.3%	(2.5%)	7.5%	(4.0%)	(7.4%)
2019 BENCHMARK	(1.2%)	1.5%	3.7%	5.3%	0.1%	2.0%	2.0%	9.6%	(3.3%)	3.7%	1.8%	11.9%	(1.9%)	9.8%	(4.0%)	(6.7%)
2019 DSR	(0.5%)	1.4%	4.2%	5.6%	(2.4%)	2.5%	1.4%	7.1%	(4.4%)	3.9%	3.1%	9.8%	(4.4%)	4.9%	(3.1%)	(9.5%)
Delta v. 2019 Benchmark	*0.6%*	*(0.1%)*	*0.5%*	*0.3%*	*(2.5%)*	*0.5%*	*(0.6%)*	*(2.5%)*	*(1.1%)*	*0.3%*	*1.3%*	*(2.2%)*	*(2.5%)*	*(4.9%)*	*0.9%*	*(2.9%)*
2018 DSR	(1.3%)	4.0%	2.1%	6.2%	2.4%	0.6%	3.7%	13.5%	(3.6%)	3.8%	3.6%	17.5%	(3.0%)	13.9%	(4.4%)	(5.3%)
Delta v. 2019 Benchmark	*(0.2%)*	*2.5%*	*(1.6%)*	*0.9%*	*2.4%*	*(1.5%)*	*1.8%*	*3.9%*	*(0.3%)*	*0.1%*	*1.7%*	*5.6%*	*(1.1%)*	*4.2%*	*(0.4%)*	*1.4%*
2017 DSR	0.2%	1.5%	3.6%	5.1%	2.2%	1.4%	2.8%	12.0%	(2.4%)	2.2%	3.8%	16.0%	(2.1%)	13.5%	(4.2%)	(7.1%)
Delta v. 2019 Benchmark	*1.4%*	*0.0%*	*(0.1%)*	*(0.1%)*	*2.1%*	*(0.6%)*	*0.9%*	*2.4%*	*0.9%*	*(1.4%)*	*2.0%*	*4.1%*	*(0.2%)*	*3.8%*	*(0.2%)*	*(0.5%)*
2016 DSR	0.4%	(0.8%)	1.5%	0.7%	1.7%	0.6%	(0.2%)	2.9%	(2.3%)	2.4%	1.5%	4.5%	(0.9%)	3.6%	(5.5%)	(6.6%)
Delta v. 2019 Benchmark	*1.5%*	*(2.3%)*	*(2.2%)*	*(4.6%)*	*1.6%*	*(1.4%)*	*(2.1%)*	*(6.7%)*	*1.0%*	*(1.3%)*	*(0.3%)*	*(7.5%)*	*1.0%*	*(6.2%)*	*(1.5%)*	*0.1%*

Days Count	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	**Total**
2020	22	20	22	22	20	22	22	21	21	22	20	21	255
2019	22	20	21	22	22	20	22	22	20	23	20	20	254
2018	22	20	22	21	22	21	21	23	19	23	21	19	254
2017	21	20	23	20	22	22	20	23	20	22	21	20	254
2016	20	21	23	21	21	22	20	23	21	21	21	21	255

** Acquisition of Mansco lifted the 2017 DSRs for April along with the Jan. to June, Jan. to Sep., and Jan. to Oct. Cumulative Changes by 1.3pps each.*
*** The January average is based on the historical change in January vs. October. All other months are sequential.*

Notes:

- Good Friday was during April in 2019 vs. March in 2018. In 2020, Good Friday will remain in April.
- Amounts may not foot due to rounding differences.

Employee Statistics

HEADCOUNT STATISTICS	Absolute Count 4Q19	3Q19	Change Since 3Q19	4Q18 [2]	Change Since 4Q18	FTE Count [1] 4Q19	3Q19	Change Since 3Q19	4Q18 [2]	Change Since 4Q18
Branches/Onsites	13,977	14,128	(1.1)%	14,015	(0.3)%	12,236	12,417	(1.5)%	12,211	0.2%
Non-Branch Selling	1,854	1,845	0.5%	1,772	4.6%	1,824	1,809	0.8%	1,732	5.3%
Selling Personnel	15,831	15,973	(0.9)%	15,787	0.3%	14,060	14,226	(1.2)%	13,943	0.8%
Distribution	4,012	3,852	4.2%	3,830	4.8%	2,895	2,821	2.6%	2,834	2.2%
Manufacturing	711	730	(2.6)%	736	(3.4)%	674	684	(1.5)%	693	(2.7)%
Administrative	1,394	1,383	0.8%	1,291	8.0%	1,339	1,329	0.8%	1,234	8.5%
Non-Selling Personnel	6,117	5,965	2.5%	5,857	4.4%	4,908	4,834	1.5%	4,761	3.1%
Total Personnel	21,948	21,938	0.0%	21,644	1.4%	18,968	19,060	(0.5)%	18,704	1.4%

NOTES:

[1] *FTE – "Full-Time Equivalent". FTE is based on 40 hours per week.*

[2] *In materials released on January 17, 2019 related to our fourth quarter and full year 2018 earnings results, we undercounted our total employees by 25. We corrected this in the table above.*

In-Market Location Statistics

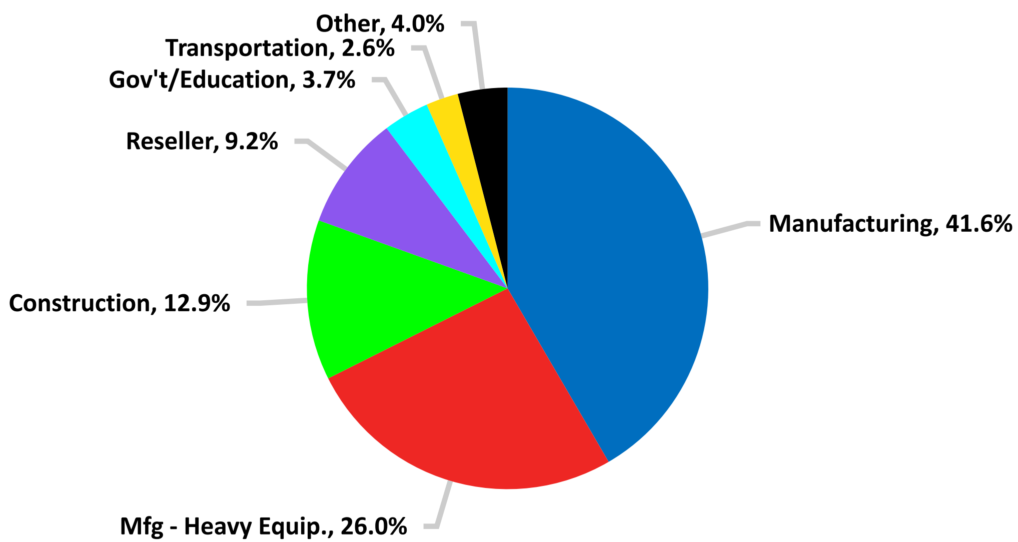
BRANCH STATISTICS	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
New Branch Openings											
1Q	33	29	37	28	11	9	2	17	5	0	3
2Q	9	16	38	25	22	8	6	10	5	5	3
3Q	3	45	19	20	11	5	5	8	5	3	2
4Q	24	37	28	7	9	2	28	5	3	3	4
Cumulative	69	127	122	80	53	24	41	40	18	11	12
Closed/Converted Branches, Net (Annual)	(11)	(6)	(27)	(13)	(18)	(74)	(56)	(159)	(138)	(167)	(125)
Branch Count	**2,369**	**2,490**	**2,585**	**2,652**	**2,687**	**2,637**	**2,622**	**2,503**	**2,383**	**2,227**	**2,114**
Active Onsites						**214**	**264**	**401**	**605**	**894**	**1,114**
TOTAL IN-MARKET LOCATIONS	**2,369**	**2,490**	**2,585**	**2,652**	**2,687**	**2,851**	**2,886**	**2,904**	**2,988**	**3,121**	**3,228**

NOTES:

- *As of December 31, 2019, includes 1,814 branches in the U.S., 183 in Canada, and 117 in the rest of the world.*
- *Branch Count includes all locations that sell to multiple customer accounts (primarily our traditional and overseas branches) and excludes locations that sell to single customer accounts (primarily our Onsite locations).*
- *Onsite location information prior to 2014 is intentionally omitted. While such locations have existed since 1992, we did not specifically track their number until we identified our Onsite program as a growth driver in 2014.*

End Market Profile

End Market Mix -- 2019



MAJOR SEGMENT GROWTH (Daily Sales rates)		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Full Year
Manufacturing	2019	13.8%	11.6%	14.7%	7.4%	11.5%	8.7%	7.9%	8.8%	6.4%	5.8%	7.5%	1.9%	8.8%
(incl. Heavy Equip.)	2018	13.3%	15.9%	14.0%	14.4%	11.9%	14.0%	11.5%	13.3%	14.7%	12.1%	12.2%	15.5%	13.5%
Construction	2019	16.7%	11.0%	12.1%	8.3%	9.9%	3.6%	1.6%	1.4%	6.4%	4.0%	5.0%	0.2%	6.4%
	2018	7.9%	10.5%	10.9%	13.1%	15.9%	17.4%	16.4%	18.5%	13.7%	14.6%	13.9%	15.2%	14.1%