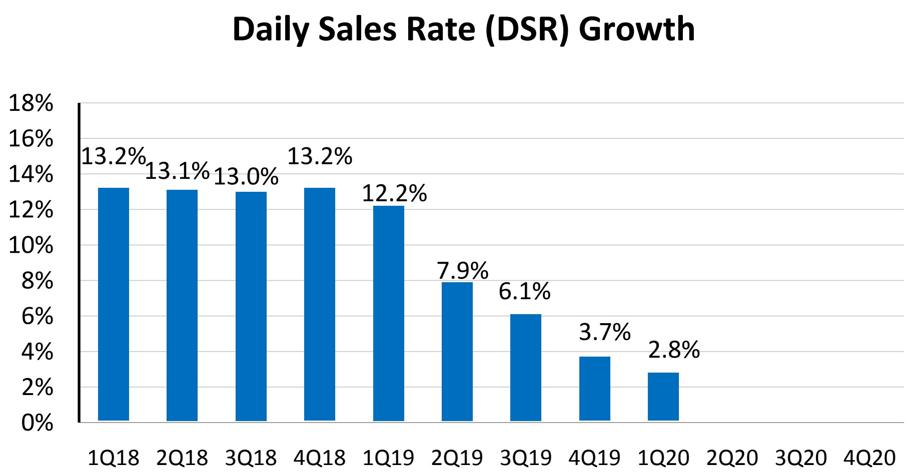
Investor Teleconference Presentation
First Quarter 2020

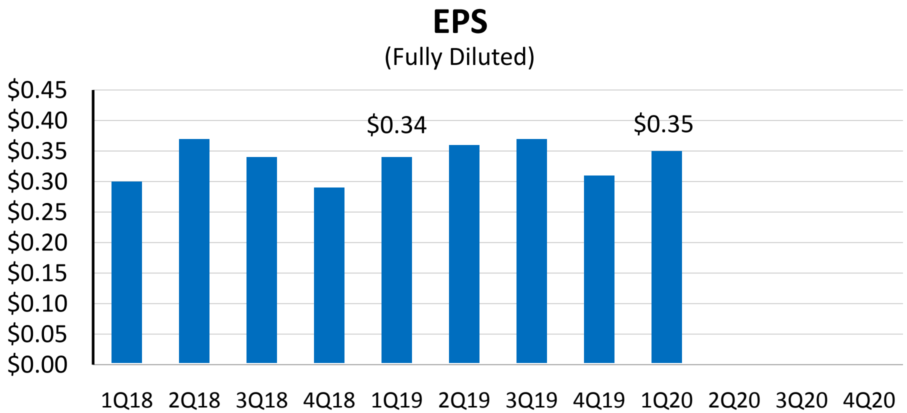
Fastenal Company
April 14, 2020

Safe Harbor Statement

All statements made herein that are not historical facts (e.g., future operating results and business activity in light of the coronavirus pandemic, as well as expectations regarding operations, including gross margin and 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, 2019 filed with the Securities & Exchange Commission and our earnings release issued on April 14, 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 1Q20

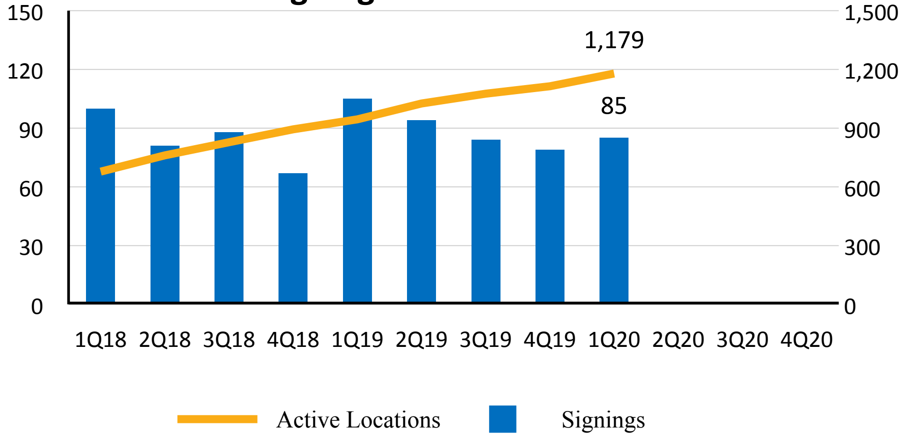




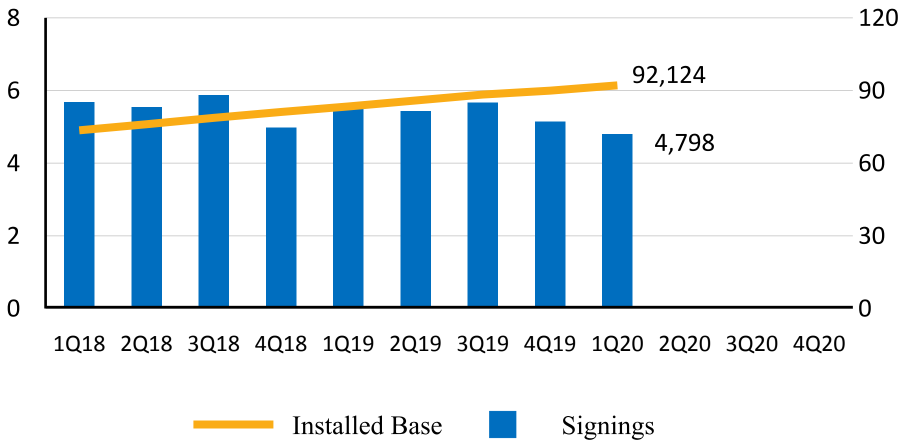
- *Fastenal is "critical infrastructure" due to our presence with state/local governments, first responders, food processors, etc., and our supply chain capabilities. We are operating, but with policies conforming to health/safety protocols.*
- *We have several co-equal "first priorities" for our employees, suppliers, customers, and society: (1) safety; (2) understand our role as an important, agile supply chain partner; (3) remain thoughtful, disciplined and willing to have frank and open conversations; (4) maintain stable cash flow to support the resupply of a re-starting economy.*
- *As mix shifts abruptly to government/safety, it is expected to pull gross margin down sharply and temporarily. We have taken steps to reduce operating costs.*
- *Fastenal has strong liquidity, with low financial leverage and $344.0 available on our revolver at quarter end. We currently plan to meet our dividend commitments, and do not currently plan to be active with share repurchases.*
- *We bought certain assets (primarily intangible) from our long-time vending partner, Apex, that should improve our cost profile and enhance development of our vending platform.*

1Q20 Growth Driver Update

Onsite Signings and Active Locations



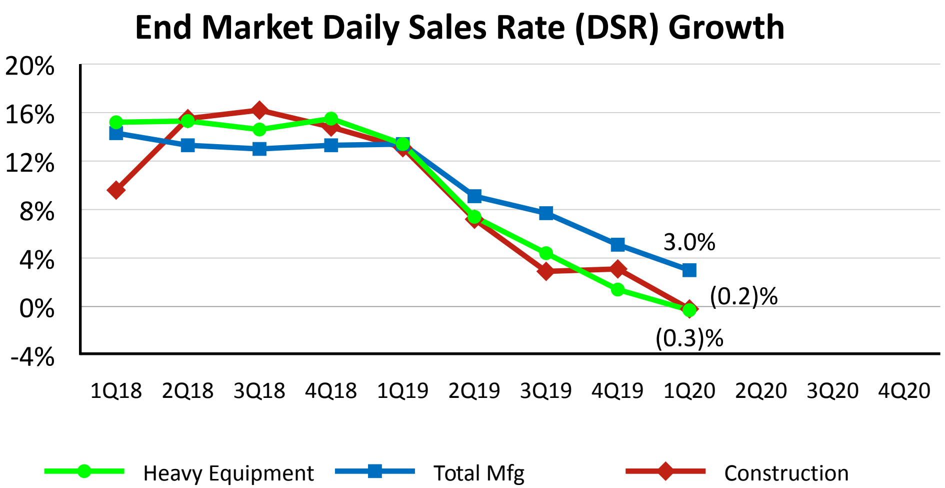
Vending Device Signings and Installed Base[2]

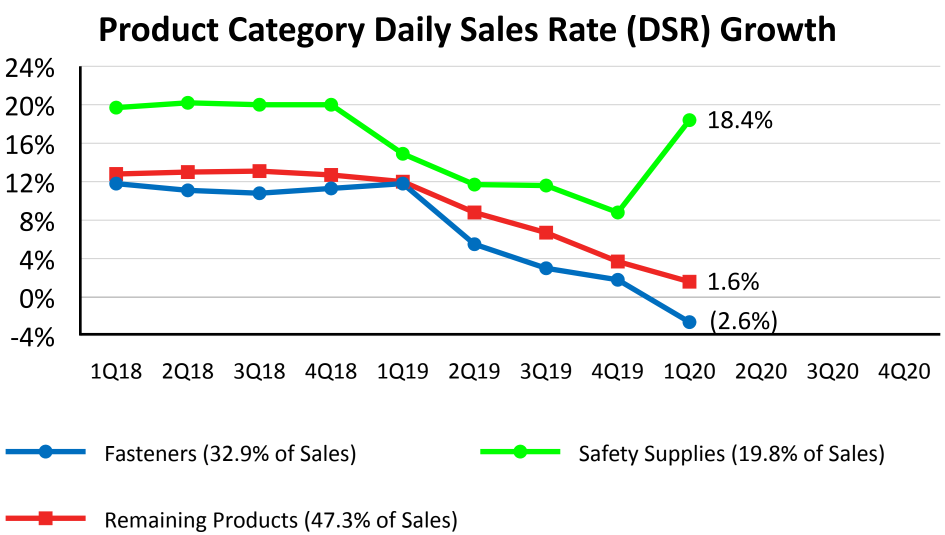


- *With activity weakening, customers closing, and our energy shifting to supplying key products, we lack visibility to our 2020 signing goals for Onsites (375-400) and vending (22K-24K). As a result, we are not providing signing ranges at this time.*
- ***Onsites**: we signed 85 in 1Q20, finishing with 1,179 active sites, +24.8% from 1Q19. Daily sales growth, excluding transferred branch sales, rose mid-single digits. Sales at older onsites were declining at accelerating rates.*
- *Total in-market[1] locations were 3,270 at the end of 1Q20, up from 3,132 at 1Q19. We closed/converted 26 traditional branches and 22 Onsites in 1Q20. We routinely review and address active but underperforming sites.*
- ***Vending**: we signed 4,798 devices in 1Q20 with an ending installed base of 92,124, +10.4% from 1Q19. Product sales through our devices were up low double-digits. Our Apex asset purchase is expected to improve costs and, over time, capabilities.*
- ***E-commerce**: sales were +27% in 1Q20, continuing to benefit from promotion of our capabilities to customers.*

[1] In-market locations include global public branches and Onsites
[2] Data excludes ~15K vending devices related to a leased locker program

1Q20 Business Cadence





- *U.S. PMI averaged 50.0 in 1Q20, below 1Q19 (55.4), but improved from 4Q19 (47.9). U.S. Industrial Production (IP) in Jan/Feb. 2020 was -0.4% vs. 1Q19 and -0.2% vs. 4Q19.*
- *Macro data does not capture sharp degradation in business activity at quarter end. This was captured in March cadence where the month finished very weak, and in the fact that approximately 120 Onsites were closed with their customer site at month end, with more planned to close in April.*
- *Manufacturing daily sales were +3.0% in 1Q20, but -1.1% in March. This impacted fastener sales, which were -2.6% in 1Q20 and -10.1% in March. Non-Residential Construction daily sales were -0.2%, but -7.8% in March.*
- *Safety daily sales were +18.4% in 1Q20 and +31.0% in March as our ability to globally source PPE is generating significant volume, including to state and local governments and healthcare organizations.*
- *National Accounts' daily sales were +5.5% in 1Q20, with 53 of our Top 100 customers growing. Non-National Account daily sales were down approximately 3.0%, with 52.0% of our branches growing in 1Q20.*

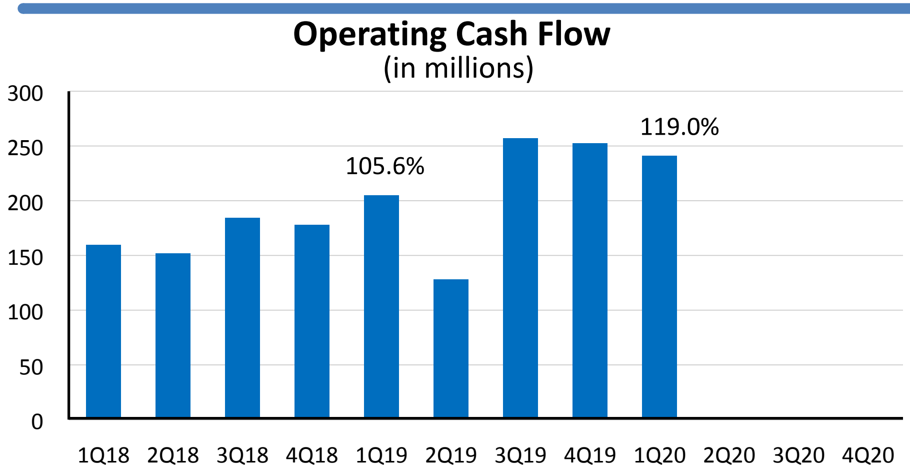
1Q20 Results Summary

Annual Rates of Change Dollar amounts in millions, except per share amounts	1Q20	1Q19	% Chg.
Net Sales	$1,367.0	$1,309.3	4.4%
Daily Sales	*21.4*	*20.8*	*2.8%*
Gross Profit	$636.8	$624.7	1.9%
Gross Profit Margin	46.6%	47.7%	(110) bps
Employee-Related Exp.	—	—	0.2%
Occupancy-Related Exp.	—	—	1.8%
All Other Oper/Admin Exp.	—	—	0.8%
Operating Income	$271.3	$261.4	3.8%
Operating Income Margin	19.9%	20.0%	(10) bps
EPS (Fully-Diluted)	$0.35	$0.34	4.0%
Onsite Signings	85	105	(19.0%)
Vending Device Signings	4,798	5,603	(14.4%)
In-market location count	3,270	3,132	4.4%
In-market location FTE	12,334	12,482	(1.2%)
Total FTE	19,235	19,125	0.6%
Operating Cash Flow	$241.1	$204.9	17.7%
% of Net Earnings	119.0%	105.6%	—
Capital Expenditures (Net)	$46.7	$52.8	(11.6%)
% of Net Sales	3.4%	4.0%	
Dividends	$143.6	$123.0	16.7%
Share Repurchases	$52.0	$0.0	—
Total Debt	$455.0	$489.0	(7.0%)
Tot. Debt/Capital	14.6%	16.9%	—

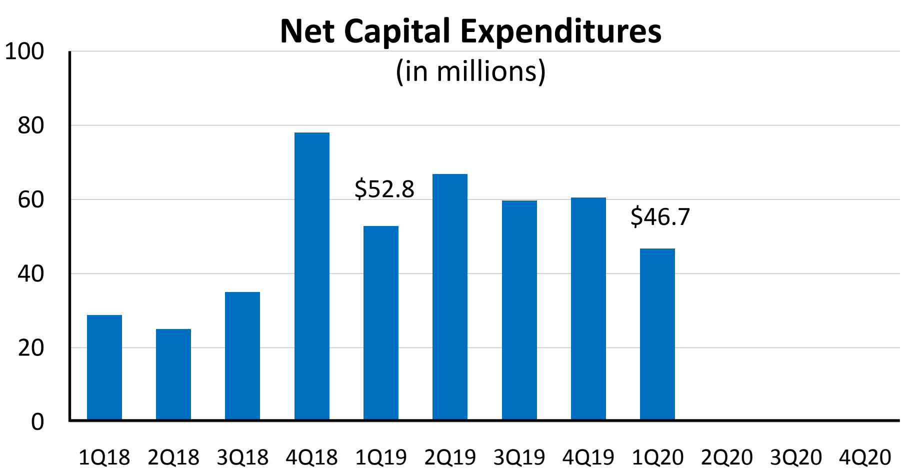
- *The 1Q20 gross margin was 46.6%, –110 bps from 1Q19 mostly due to product/customer mix and deleveraging of fixed costs. The 1Q20 operating margin was 19.9%, –10 bps from 1Q19. Lower incentive compensation and an extra day of sales contributed to good operating leverage.*
- *Mix is expected to be a significant headwind to gross margin near term. The gaps between higher margin manufacturing and fasteners versus lower margin government and safety are widening. We have restricted access to our branches by the public, which results in less high margin retail and spot buy business. Shipping costs are rising and our supply chain is less efficient as we identify non-traditional sources of supply.*
- *We have taken steps to lower operating costs. While not actively trimming our workforce, we expect a natural decline as regions manage their businesses. We also expect a natural reduction in incentive compensation, and have taken further steps to reduce employee-related costs. Discretionary spend (travel, certain internal training, etc.) is being reviewed.*

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

1Q20 Cash Flow Profile



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



2020(E) Net CapEx: $155.0 to $180.0; 2019(A) Net Capex: $239.8

- *Our balance sheet is lightly leveraged and we had $344.0 in capital available on our revolver at quarter end. We do not expect additional capital needs in 2020.*
- *1Q20 operating cash flow was $241.1, or 119.0% of net earnings in the period. Lower net working capital needs given slower growth and, to a lesser extent, higher earnings contributed.*
- *Inventory was +4.0% compared to 1Q19, with Onsite growth being the primary driver. The effects of slower demand and efforts to streamline hub inventory produced a sequential decline in stock. Accounts receivable were +5.2% compared to 1Q19.*
- *Net capital spending was $46.7 in 1Q20, down from $52.8. in 1Q19. We lowered our 2020 net capital spending range to $155.0 to $180.0, from $180.0 to $205.0, reflecting deferral of spending due to weakening business activity.*
- *We returned $195.6 of capital to shareholders via dividends and share repurchases in 1Q20. We also acquired certain assets of our vending partner, Apex, for $125.0.*

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

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, 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 1Q20	TTM 1Q19
Operating Income	$ 1,067.1	1,026.1
(Income Tax Expense)	(256.0)	(240.9)
Tax Act Adjustment[1]	—	(8.4)
NOPAT	$ 811.1	776.8
Total Current Assets	$ 2,426.8	2,224.8
Cash and Cash Equivalents	(173.1)	(161.3)
Accounts Payable	(198.0)	(166.0)
Accrued Expenses	(230.2)	(216.3)
Property & Equipment, Net	985.5	916.2
Other Assets	318.5 [3]	313.6 [2]
Invested Capital	$ 3,129.5	2,911.0 [2]
ROIC	**25.9%**	**26.7%** [2]

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.

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

[2] Asset values for TTM1Q19 differ from those disclosed on April 11, 2019 due to a change in approach to estimate the impact of operating lease right-of-use assets on the TTM.

[3] Refers to the average unamortized value of acquired non-operating intangible assets.

Reconciliation of ROIC to Return on Assets (ROA)

(Amounts in millions)	TTM 1Q20	TTM 1Q19
Net Earnings	$ 799.4	771.7
Total Assets	$ 3,793.3	3,454.6 [2]
ROA	**21.1%**	**22.3%** [2]
NOPAT	$ 811.1	776.8
Add: Income Tax Expense	256.0	240.9
Subtract: Tax Act Adj.[1]	—	8.4
Operating Income	1,067.1	1,026.1
Add: Interest Income	0.4	0.4
Subtract: Interest Expense	(12.1)	(13.9)
Subtract: Income Tax Expense	(256.0)	(240.9)
Net Earnings	**$ 799.4**	**771.7**
Invested Capital	$ 3,129.5	2,911.0 [2]
Add: Cash and Cash Equivalents	173.1	161.3
Add: Accounts Payable	198.0	166.0
Add: Accrued Expenses	230.2	216.3
Add: Excluded Other Assets	62.5 [3]	—
Total Assets	**$ 3,793.3**	**3,454.6** [2]

*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.
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%)
2020 DSR	(1.3%)	2.5%	(0.3%)	2.2%												
Delta v. Benchmark	*(0.3%)*	*1.3%*	*(3.4%)*	*(2.2%)*												
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. Benchmark	*0.4%*	*0.2%*	*1.1%*	*1.3%*	*(2.5%)*	*0.8%*	*(0.4%)*	*(1.0%)*	*(1.0%)*	*0.6%*	*0.9%*	*(0.5%)*	*(1.9%)*	*(2.6%)*	*1.0%*	*(2.1%)*
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. Benchmark	*(0.3%)*	*2.8%*	*(1.0%)*	*1.8%*	*2.3%*	*(1.1%)*	*2.0%*	*5.4%*	*(0.2%)*	*0.5%*	*1.3%*	*7.2%*	*(0.5%)*	*6.4%*	*(0.3%)*	*2.1%*
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. Benchmark	*1.2%*	*0.3%*	*0.5%*	*0.8%*	*2.1%*	*(0.3%)*	*1.1%*	*3.9%*	*1.1%*	*(1.1%)*	*1.5%*	*5.7%*	*0.4%*	*6.0%*	*(0.2%)*	*0.3%*

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

** 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. Good Friday will remain in April during 2020.
- Amounts may not foot due to rounding differences.

Employee Statistics

HEADCOUNT STATISTICS	Absolute Count					FTE Count [1]				
	1Q20	4Q19	Change Since 4Q19	1Q19	Change Since 1Q19	1Q20	4Q19	Change Since 4Q19	1Q19	Change Since 1Q19
Branches/Onsites	14,001	13,977	0.2%	14,336	(2.3)%	12,334	12,236	0.8%	12,482	(1.2)%
Non-Branch Selling	1,901	1,854	2.5%	1,779	6.9 %	1,866	1,824	2.3%	1,745	6.9 %
Selling Personnel	15,902	15,831	0.4%	16,115	(1.3)%	14,200	14,060	1.0%	14,227	(0.2)%
Distribution	4,082	4,012	1.7%	4,002	2.0 %	2,992	2,895	3.4%	2,923	2.4 %
Manufacturing	709	711	(0.3)%	743	(4.6)%	675	674	0.1%	700	(3.6)%
Administrative	1,438	1,394	3.2%	1,345	6.9 %	1,368	1,339	2.2%	1,275	7.3 %
Non-Selling Personnel	6,229	6,117	1.8%	6,090	2.3 %	5,035	4,908	2.6%	4,898	2.8 %
Total Personnel	22,131	21,948	0.8%	22,205	(0.3)%	19,235	18,968	1.4%	19,125	0.6 %

NOTES:

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

In-Market Location Statistics

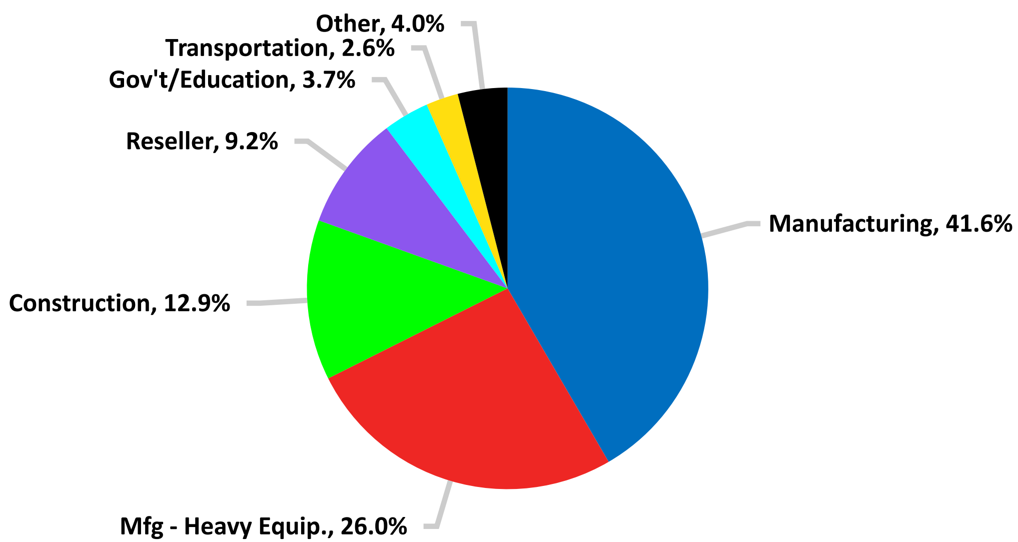
BRANCH STATISTICS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Branch Openings											
1Q	29	37	28	11	9	2	17	5	0	3	3
2Q	16	38	25	22	8	6	10	5	5	3	
3Q	45	19	20	11	5	5	8	5	3	2	
4Q	37	28	7	9	2	28	5	3	3	4	
Cumulative	127	122	80	53	24	41	40	18	11	12	3
Closed/Converted Branches, Net (Annual)	(6)	(27)	(13)	(18)	(74)	(56)	(159)	(138)	(167)	(125)	(26)
Branch Count	**2,490**	**2,585**	**2,652**	**2,687**	**2,637**	**2,622**	**2,503**	**2,383**	**2,227**	**2,114**	**2,091**
Active Onsites					**214**	**264**	**401**	**605**	**894**	**1,114**	**1,179**
TOTAL IN-MARKET LOCATIONS	**2,490**	**2,585**	**2,652**	**2,687**	**2,851**	**2,886**	**2,904**	**2,988**	**3,121**	**3,228**	**3,270**

NOTES:

- *As of March 31, 2020, includes 1,788 branches in the U.S., 183 in Canada, and 120 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	2020	4.3%	6.2%	(1.1%)										3.0%
(incl. Heavy Equip.)	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%
Construction	2020	3.2%	4.9%	(7.8%)										(0.2%)
	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%