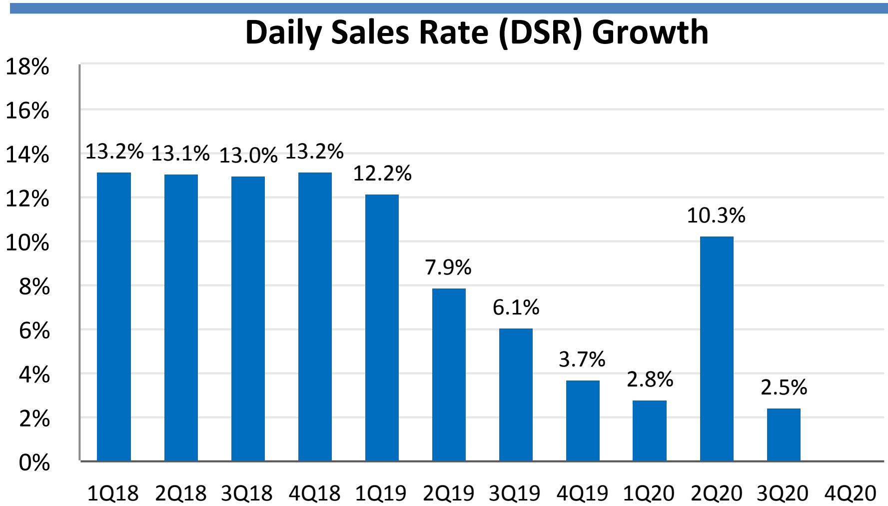
Investor Teleconference Presentation
Third Quarter 2020

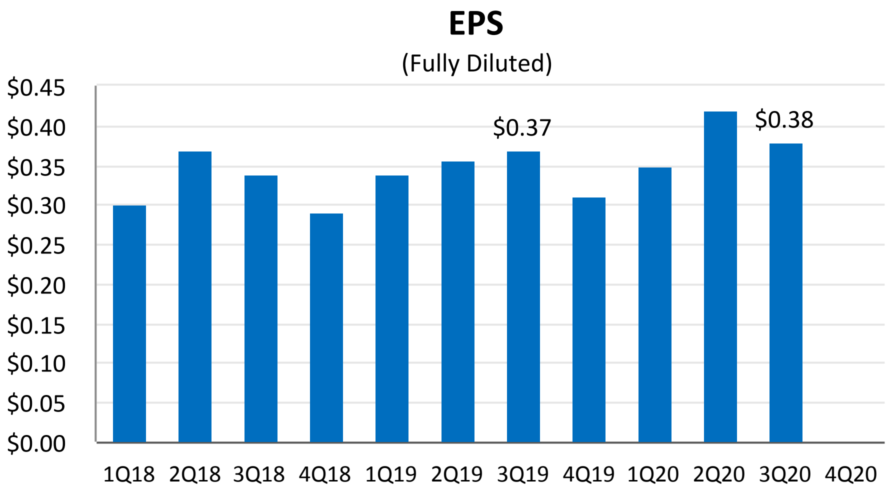
Fastenal Company
October 13, 2020

Safe Harbor Statement

All statements made herein that are not historical facts (e.g., future operating results and business activity in light of the COVID-19 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 Fastenal's Form 10-K for the year ended December 31, 2019 and subsequently filed Form 10-Qs filed with the Securities and Exchange Commission. 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.

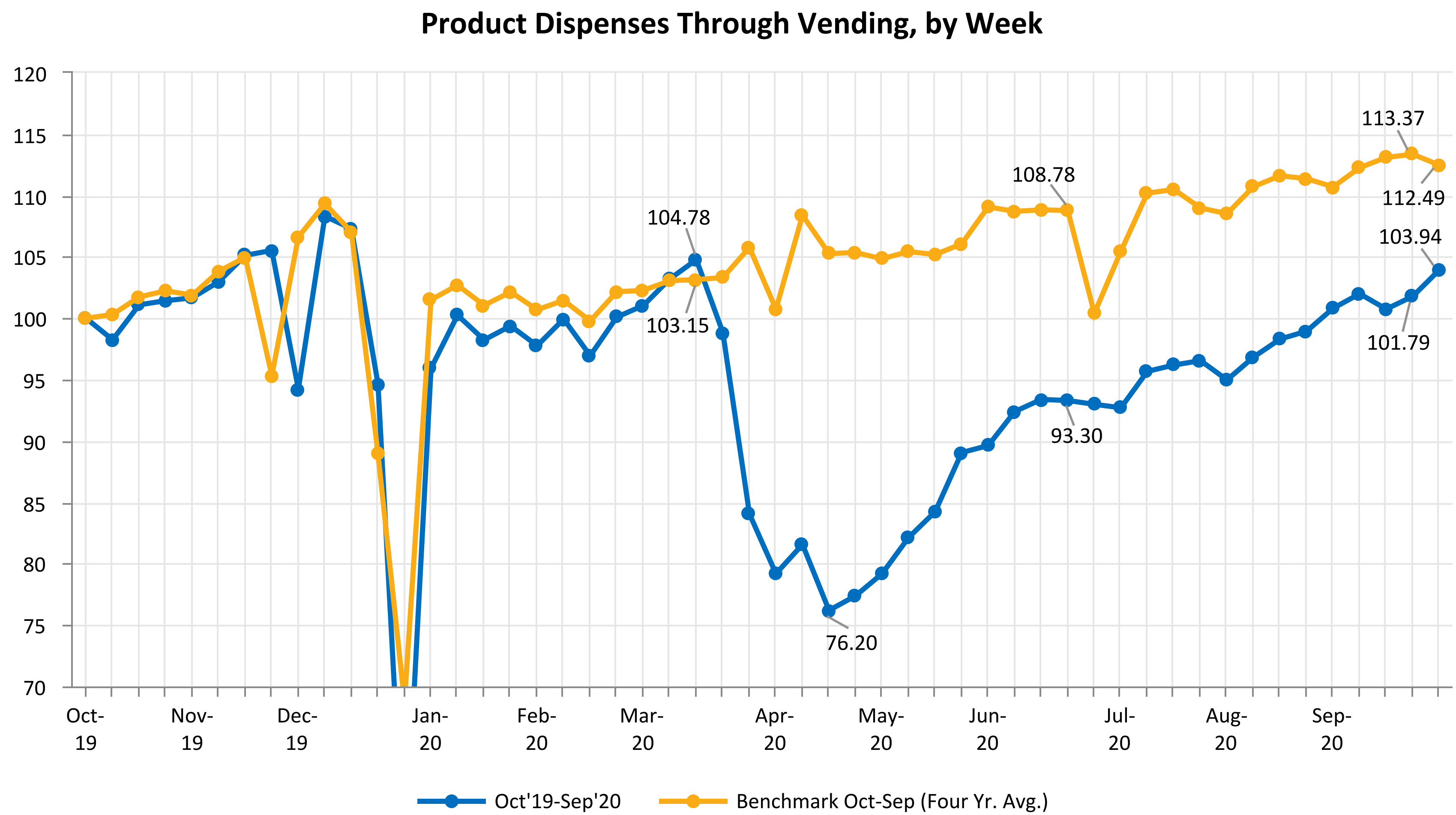
CEO Messages on 3Q20





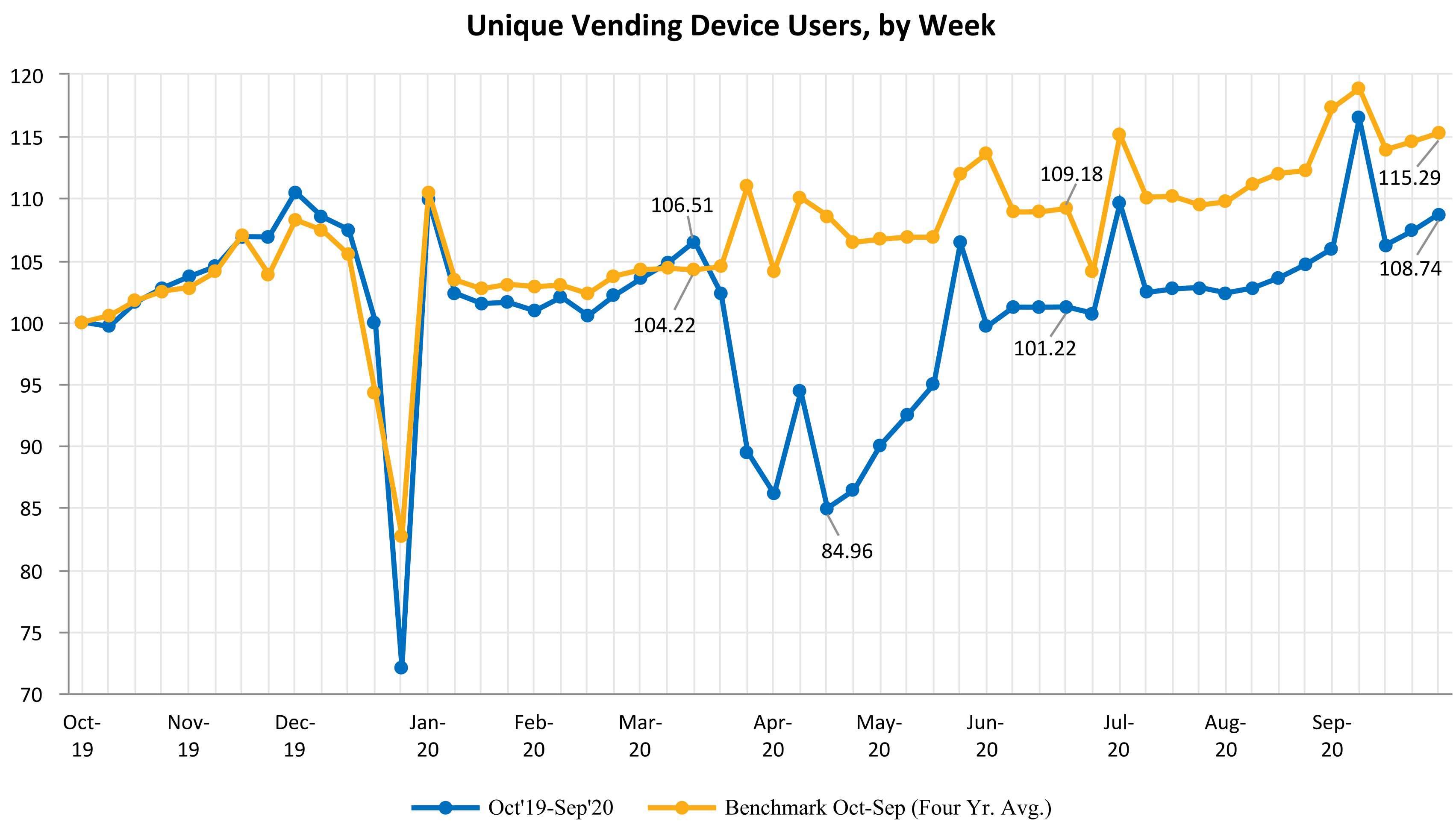
- *Daily sales grew 2.5% and operating income grew 2.9% in 3Q20, representing modest margin expansion owing to strong operating expense control.*
- *Results continue to reflect the strength and leadership of the 20,000-plus strong Blue Team and our ability to adapt quickly to the needs of the market and tightly control costs while retaining talent. Our ability to maintain these strengths and willingness to embrace internal initiatives, such as training and mobility adoption, should ensure continued success as business conditions normalize.*
- *Surge activity eased in 3Q20, but demand for pandemic-related products remains elevated, contributing to 34.4% growth in safety supplies. Demand in traditional markets remains soft, though trends in vending dispenses and hub picks improved through the period.*
- *Growth driver signings have not returned to the "100s" that we targeted pre-pandemic (100 vending devices per day, 100 Onsites per quarter), but continued to improve through 3Q20.*
- *We have retained a conservative capital structure that is well positioned to support future growth opportunities.*

CEO Messages on 3Q20



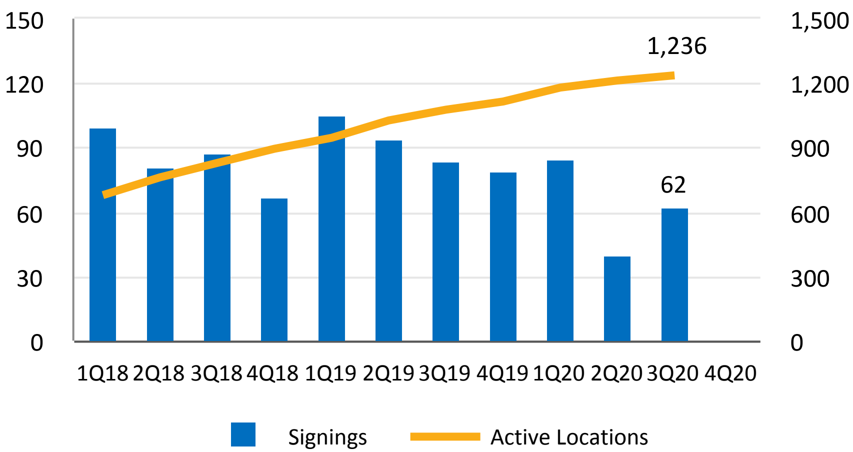
Note: Sep'20 through Sep 29th

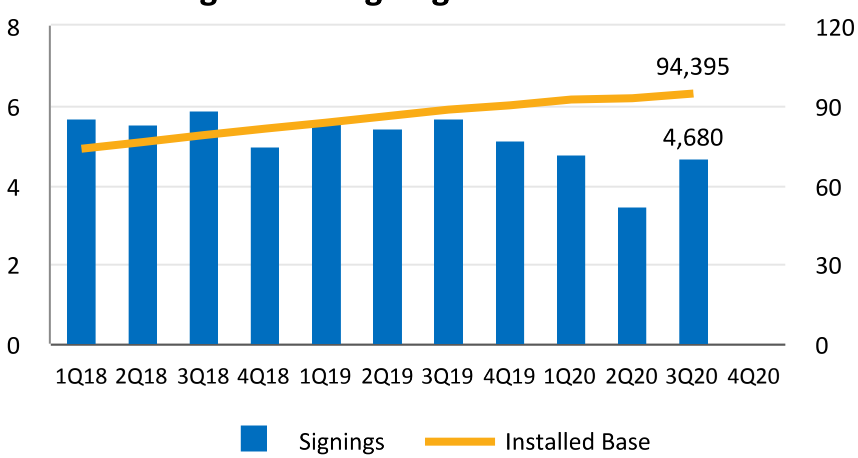
CEO Messages on 3Q20



Note: Sep'20 through Sep 29th

3Q20 Growth Driver Update

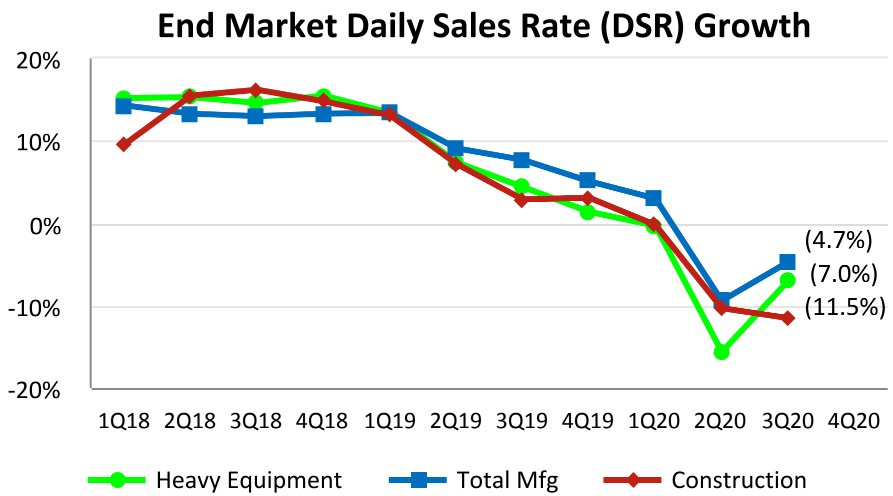


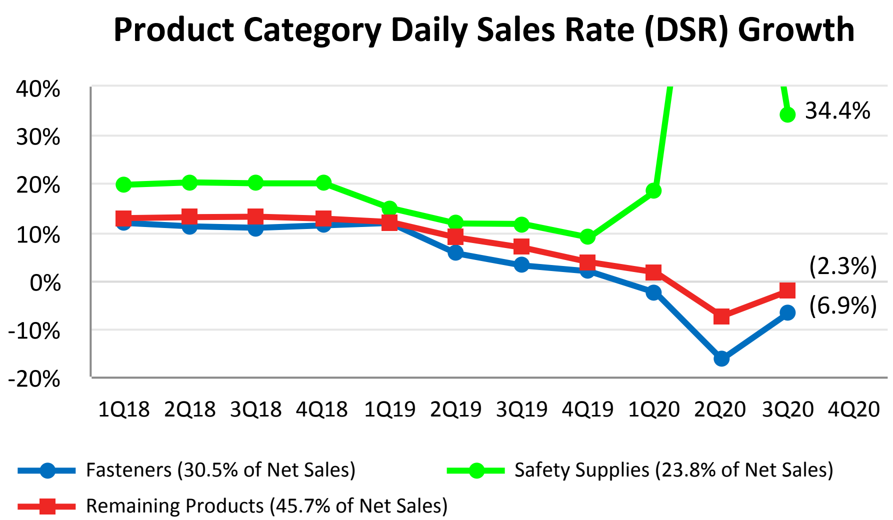


- *Signing activity remained below pre-pandemic levels in 3Q20, but improved through the period. Customer willingness and ability to engage in discussions about our growth drivers is increasing.*
- ***Onsites**: we signed 62 in 3Q20, finishing with 1,236 active sites, +14.9% from 3Q19. Daily sales growth, excluding transferred branch sales, fell low single digits, improved from 2Q20 largely from moderating rates of decline at our more mature units.*
- ***Total** in-market[1] locations were 3,269 at the end of 3Q20, up 1.5% from 3,222 at 3Q19. We closed/converted 30 traditional branches and 33 Onsites in 3Q20.*
- ***Vending**: we signed 4,680 devices in 3Q20 with an ending installed base of 94,395 devices, +6.9% from 3Q19. Daily sales growth fell low-to-mid single digits. Though well below the 5,671 units signed in 3Q19 and pacing well below our initial target, 3Q20 signings approached the signings level of 1Q20 (4,798).*
- ***E-commerce**: Daily sales returned to pre-pandemic growth of high-20%, including mid-30% growth in September. Growth continues to be driven by our largest customers, with August and September also seeing higher daily sales due to government customers.*

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

3Q20 Business Cadence





- *U.S. PMI averaged 55.2 in 3Q20. U.S. Industrial Production in July/Aug. 2020 declined 7.6% versus 3Q19. Sequential improvements in vending dispenses and hub picks suggest a market that remains soft, but improving.*
- *3Q20 safety daily sales grew 34.4%. Relative to 2Q20, surge activity has eased and became indistinguishable from other sources of demand. However, buying related to re-opening, heightened safety protocols, new customers, etc., has sustained growth at elevated levels.*
- *Fastener daily sales, which better reflect underlying economic conditions, fell 6.9% in 3Q20, including a 6.1% decline in September. Based on trends in our fastener DSR, vending dispenses, and hub picks, we estimate economic activity is below pre-COVID levels by mid-single digits.*
- *National Accounts' daily sales were up approximately 2% in 3Q20, with 33 of our Top 100 customers growing. Non-National Account daily sales were up approximately 4%, with 45% of our branches growing in 3Q20.*

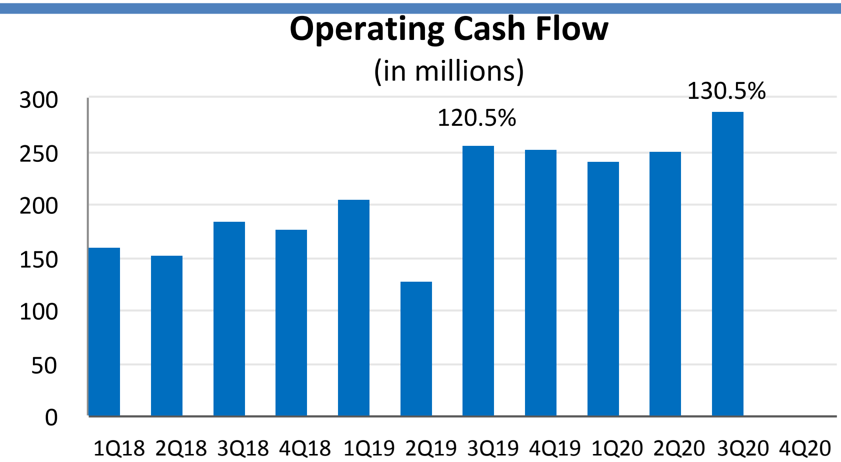
3Q20 Results Summary

Annual Rates of Change	3Q20	3Q19	% Chg.
Dollar amounts in millions, except per share amounts			
Net Sales	$1,413.3	$1,379.1	2.5%
Daily Sales	*22.1*	*21.5*	*2.5%*
Gross Profit	$640.6	$651.1	(1.6%)
Gross Profit Margin	45.3%	47.2%	(190) bps
Employee-Related Exp.	—	—	(4.9%)
Occupancy-Related Exp.	—	—	0.7%
All Other Oper/Admin Exp.	—	—	(13.6%)
Operating Income	$290.1	$281.9	2.9%
Operating Income Margin	20.5%	20.4%	10 bps
EPS (Fully-Diluted)	$0.38	$0.37	3.4%
Onsite Signings	62	84	(26.2%)
Vending Device Signings	4,680	5,671	(17.5%)
In-market location count	3,269	3,222	1.5%
In-market location FTE	11,302	12,417	(9.0%)
Total FTE	17,862	19,060	(6.3%)
Operating Cash Flow	$289.0	$257.3	12.3%
% of Net Earnings	130.5%	120.5%	—
Capital Expenditures (Net)	$30.0	$59.7	(49.7%)
% of Net Sales	2.1%	4.3%	—
Dividends	$143.4	$126.2	13.6%
Share Repurchases	$0.0	$0.0	—
Total Debt	$405.0	$445.0	(9.0%)
Tot. Debt/Capital	12.3%	14.7%	—

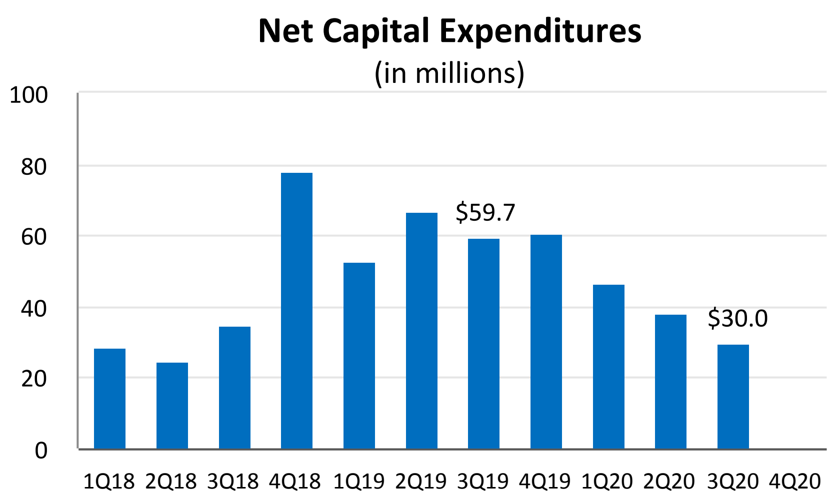
Percentage calculations may not be able to be reproduced due to rounding of dollar values.

- *3Q20 gross margin was 45.3%, down 190 bps from 3Q19, but improved from 44.5% in 2Q20.*
- *The largest gross margin impact was lower safety margins. As we continue to work through low margin, COVID-related product, we saw no improvement in gross margin versus 2Q20. The adverse impacts of mix and organizational factors narrowed slightly vs. 2Q20, but remained negative.*
- *3Q20 operating margin was 20.5%, a 10 bps increase from 3Q19. Operating expenses were 24.8% of net sales, improved by 200 bps. Tight management of costs, including travel and headcount, and lower non-selling transportation expenses were primarily responsible for the leverage.*
- *FTE was down on an annual basis, stable sequentially, and slightly up in September. Travel costs were down annually, but up sequentially. These trends reflect our response to improved outlooks for business activity and growth driver signings. Still, we will continue to tightly control costs as we enter our seasonally weaker fourth and first quarters.*

3Q20 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

- *3Q20 operating cash flow was $289.0, or 130.5% of net earnings in the period. Weak demand allowed operating working capital to be a significant source of cash in the period, only partly offset by payment of taxes deferred from 2Q20 in accordance with CARES Act provisions.*
- *Accounts receivable rose 2.1% in 3Q20 on higher sales. Inventory fell 0.9%, despite roughly $30.0 in remaining COVID-related stock and growth in Onsite related inventory. This was more than offset by branch inventory, which declined in response to softer non-COVID-related demand and initiatives to streamline local stock.*
- *Net capital spending was $30.0 in 3Q20, down from $59.7 in 3Q19 as a result of lower spending on hub investments, vehicles and vending. Our 2020 net capital spending range is unchanged between $155.0 and $180.0.*
- *We returned $143.4 of capital to shareholders via dividends in 3Q20.*
- *Balance sheet debt was 12.3% of total capital, with ample liquidity to take advantage of growth opportunities.*

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 11 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 11 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 3Q20	TTM 3Q19
Operating Income	$1,116.3	1,051.7
(Income Tax Expense)	(265.2)	(256.1)
Tax Act Adjustment[1]	—	3.2
NOPAT	$ 851.1	798.8
Total Current Assets	$2,573.8	2,363.2
Cash and Cash Equivalents	(261.5)	(160.5)
Accounts Payable	(212.8)	(200.6)
Accrued Expenses	(249.8)	(234.5)
Property & Equipment, Net	1,010.7	940.8
Other Assets	314.5 [2]	313.9
Invested Capital	$3,174.9	3,022.3
ROIC	**26.8%**	**26.4%**

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

Reconciliation of ROIC to Return on Assets (ROA)

(Amounts in millions)	TTM 3Q20	TTM 3Q19
Net Earnings	$ 841.7	781.0
Total Assets	$3,961.4	3,617.9
ROA	**21.2%**	**21.6%**
NOPAT	$ 851.1	798.8
Add: Income Tax Expense	265.2	256.1
Subtract: Tax Act Adj.[1]	—	(3.2)
Operating Income	1,116.3	1,051.7
Add: Interest Income	0.4	0.4
Subtract: Interest Expense	(9.8)	(15.0)
Subtract: Income Tax Expense	(265.2)	(256.1)
Net Earnings	**$ 841.7**	**781.0**
Invested Capital	$3,174.9	3,022.3
Add: Cash and Cash Equivalents	261.5	160.5
Add: Accounts Payable	212.8	200.6
Add: Accrued Expenses	249.8	234.5
Add: Excluded Other Assets	62.5 [2]	—
Total Assets	**$3,961.4**	**3,617.9**

*Amounts may not foot due to rounding differences.

Sequential Trends*

Daily Sales Rate (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%	3.9%	10.4%	(3.3%)	13.3%	(10.5%)	3.8%	2.9%	8.3%				
Delta v. Benchmark	*(0.3%)*	*1.3%*	*(3.4%)*	*(2.2%)*	*3.8%*	*8.7%*	*(5.1%)*	*5.2%*	*(7.0%)*	*0.5%*	*0.6%*	*(2.0%)*				
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.*
**** The benchmark for each month is the average of the previous five years for that month (excluding the impact of the March 2017 Mansco Acquisition).*

Notes:

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

Employee Statistics

HEADCOUNT STATISTICS	Absolute Count 3Q20	2Q20	Change Since 2Q20	4Q19	Change Since 4Q19	3Q19	Change Since 3Q19	FTE Count[1] 3Q20	2Q20	Change Since 2Q20	4Q19	Change Since 4Q19	3Q19	Change Since 3Q19
Branches/Onsites	12,708	12,982	(2.1%)	13,977	(9.1%)	14,128	(10.1%)	11,302	11,310	(0.1%)	12,236	(7.6%)	12,417	(9.0%)
Non-Branch Selling	1,921	1,904	0.9%	1,854	3.6%	1,845	4.1%	1,895	1,876	1.0%	1,824	3.9%	1,809	4.8%
Selling Personnel	14,629	14,886	(1.7%)	15,831	(7.6%)	15,973	(8.4%)	13,197	13,186	0.1%	14,060	(6.1%)	14,226	(7.2%)
Distribution	3,593	3,682	(2.4%)	4,012	(10.4%)	3,852	(6.7%)	2,638	2,615	0.9%	2,895	(8.9%)	2,821	(6.5%)
Manufacturing	657	664	(1.1%)	711	(7.6%)	730	(10.0%)	618	625	(1.1%)	674	(8.3%)	684	(9.6%)
Administrative	1,457	1,435	1.5%	1,394	4.5%	1,383	5.4%	1,409	1,388	1.5%	1,339	5.2%	1,329	6.0%
Non-Selling Personnel	5,707	5,781	(1.3%)	6,117	(6.7%)	5,965	(4.3%)	4,665	4,628	0.8%	4,908	(5.0%)	4,834	(3.5%)
Total Personnel	20,336	20,667	(1.6%)	21,948	(7.3%)	21,938	(7.3%)	17,862	17,814	0.3%	18,968	(5.8%)	19,060	(6.3%)

NOTES:

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

In-Market Location Statistics

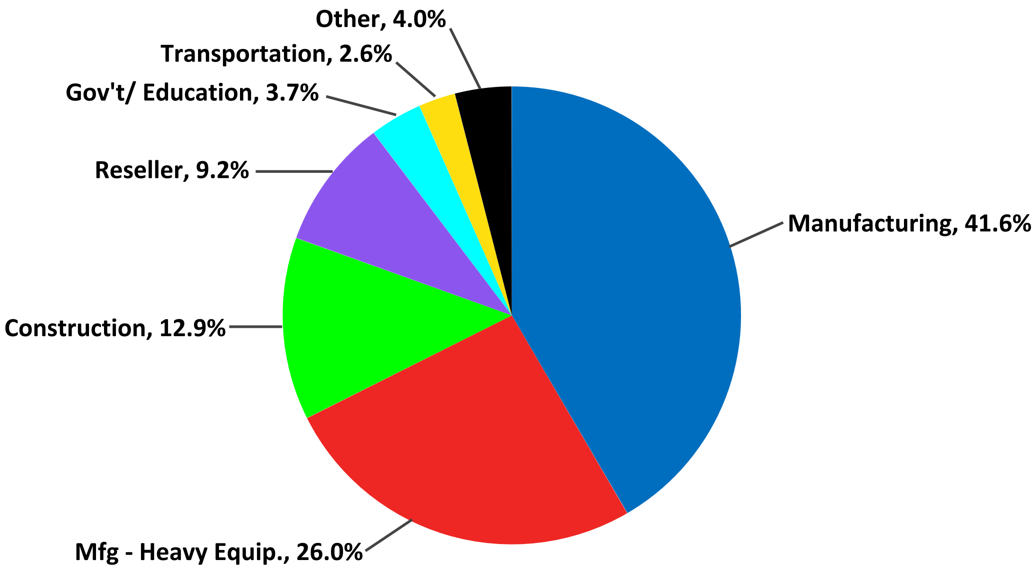
BRANCH STATISTICS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Branch Openings											
1Q	29	37	28	11	9	2	17	5	0	3	3
2Q	16	38	25	22	8	6	10	5	5	3	4
3Q	45	19	20	11	5	5	8	5	3	2	3
4Q	37	28	7	9	2	28	5	3	3	4	
Cumulative	127	122	80	53	24	41	40	18	11	12	10
Closed/Converted Branches, Net (Annual)	(6)	(27)	(13)	(18)	(74)	(56)	(159)	(138)	(167)	(125)	(91)
Branch Count	**2,490**	**2,585**	**2,652**	**2,687**	**2,637**	**2,622**	**2,503**	**2,383**	**2,227**	**2,114**	**2,033**
Active Onsites					**214**	**264**	**401**	**605**	**894**	**1,114**	**1,236**
TOTAL IN-MARKET LOCATIONS	**2,490**	**2,585**	**2,652**	**2,687**	**2,851**	**2,886**	**2,904**	**2,988**	**3,121**	**3,228**	**3,269**

NOTES:

- *As of September 30, 2020, includes 1,729 branches in the U.S., 179 in Canada, and 125 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%)	(15.6%)	(4.2%)	(8.2%)	(5.5%)	(5.0%)	(3.8%)				(3.7%)
(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%)	(15.5%)	(9.8%)	(5.5%)	(9.6%)	(13.5%)	(11.3%)				(7.5%)
	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%