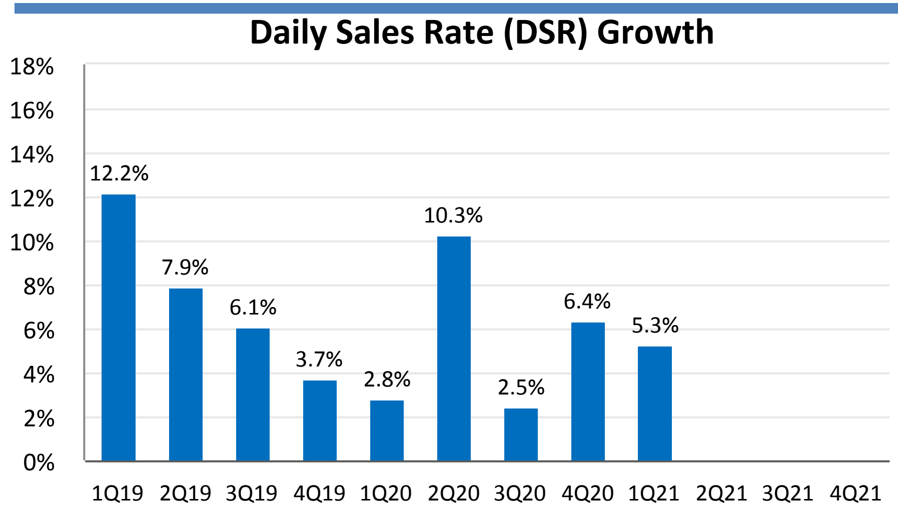
Investor Teleconference Presentation
First Quarter 2021

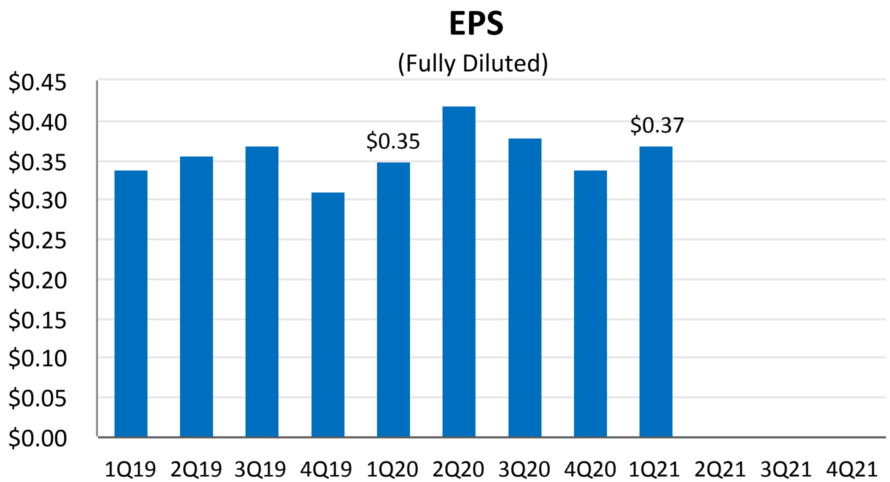

Fastenal Company
April 13, 2021

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, future inventory levels, pricing, Onsite and weighted FMI device signings, 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 our most recent annual and quarterly reports 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.

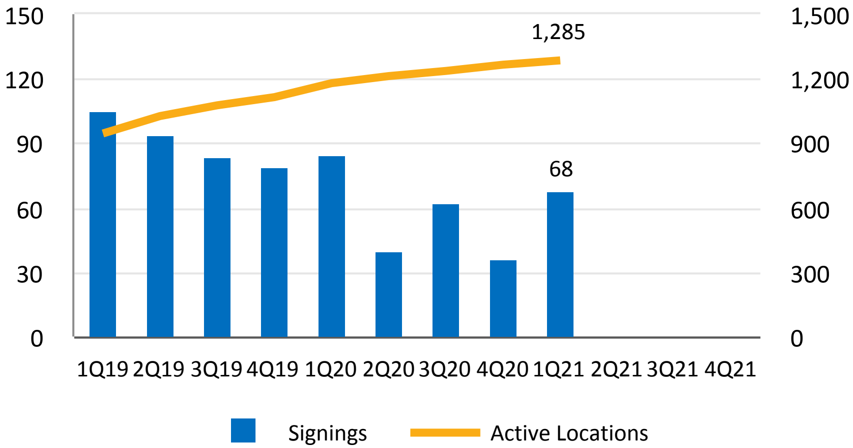
CEO Messages on 1Q21

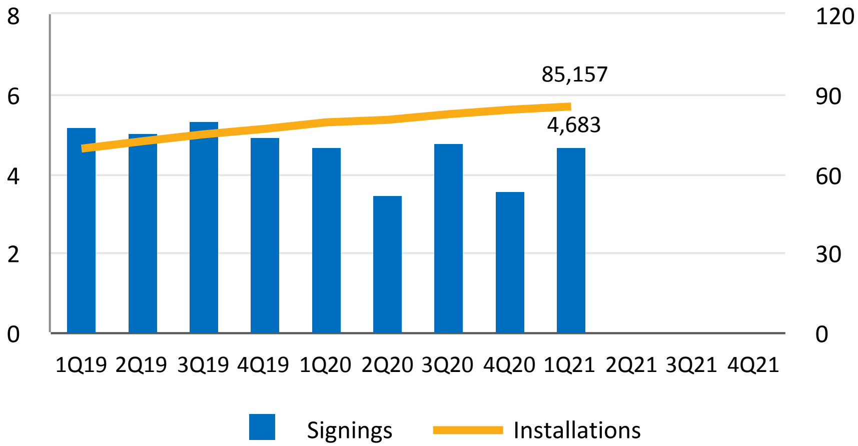




- *1Q21 diluted EPS were $0.37, an increase of 3.7%. Net sales were up 3.7%, or up 5.3% on a daily basis. The Blue Team managed to leverage operating expenses, despite lost sales from February's storms and one less selling day.*
- *1Q21 includes a $7.8M write-down of 3-ply masks. Our mask buy in spring 2020 was a strategic decision: it lifted our profile with key customers and markets, benefited our employees, customers, and communities, demonstrated the capabilities of our supply chain, and had a good financial outcome, even including the write-down.*
- *Underlying demand is improving. Fastener daily growth was 4.0% in 1Q21, but 14.0% in March; growth from Jan. to Mar. 2021 was 7.1%, vs. an average of +4.9% from 2015-19. The same pattern was evident in manufacturing and heavy manufacturing end markets.*
- *Financial impact from increasing supply chain pressure and product cost inflation was modest in 1Q21, but challenges are rising. Our supply chain capabilities and the flexibility of our local businesses are limiting service issues, and we plan to take pricing actions in 2Q21.*
- *Cash flow was healthy in 1Q21 on strong working capital management.*

1Q21 Growth Driver Update





- ***Onsites***: *we signed 68 in 1Q21, the highest number since the pandemic began. We finished with 1,285 active sites, +9.0% from 1Q20. Daily sales growth, excluding transferred branch sales, rose mid-to-high single-digits. Older Onsites declined in the period, though gradually and at a moderating rate.*

  The signings environment continued to improve, but is not yet at a 375 to 400 annual rate. Given the 1Q21 rate of signings, we expect 2021 signings in the 300 to 350 range.

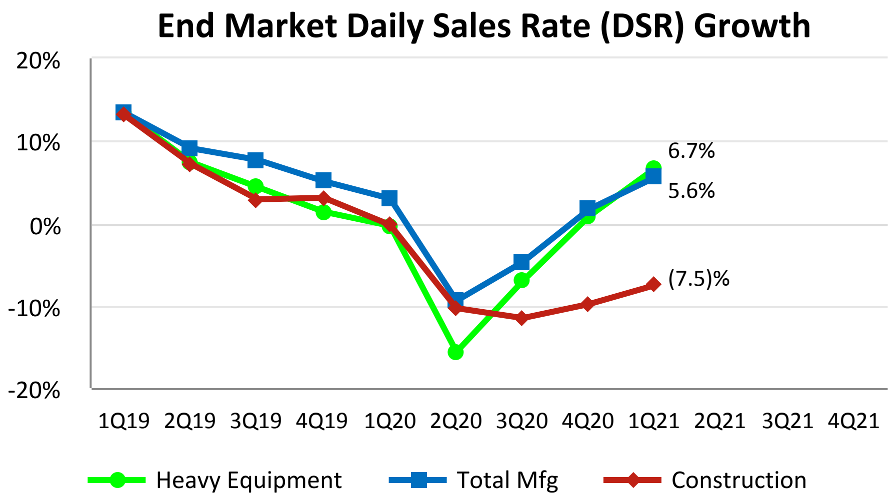
- ***FMI***: *we signed 4,683 weighted devices in 1Q21, versus 4,692 in 1Q20, with an ending installed base of 85,157 weighted devices, up 7.5% from 1Q20. Daily sales through our FMI devices rose 9.0% and constitute 21.2% of sales. We continue to target signing 23,000 to 25,000 weighted FMI devices in 2021, though activity and pace is running slightly below this currently.*

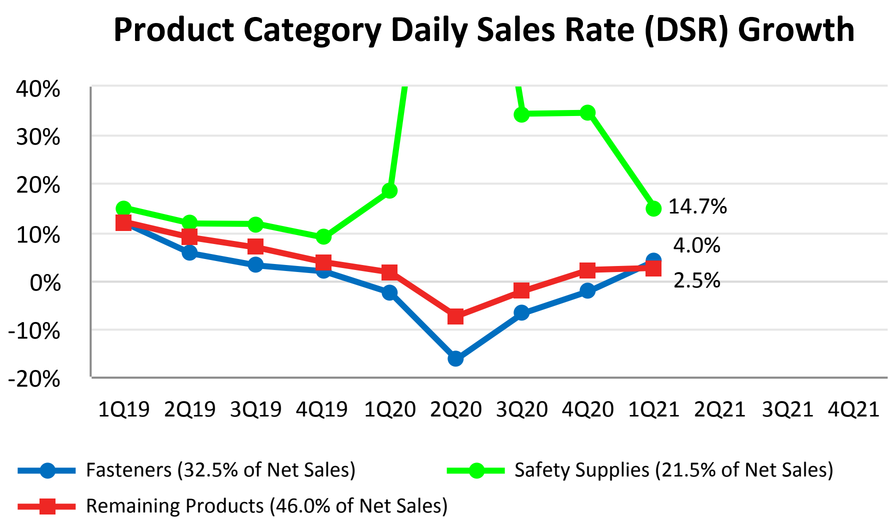
- ***E-commerce***: *daily sales rose 35.5% in 1Q21. Large customer-oriented EDI was up 37.6%, while web sales were up 29.1%.*

- ***Total*** *in-market locations were 3,244 at the end of 1Q21, down 0.8% from 3,270 at 1Q20. We closed/converted 46 traditional branches and 28 Onsites in 1Q21.*

[1] In-market locations include global public branches and Onsites
[2] Data excludes ~13K non-weighted vending devices related to a locker lease program

1Q21 Business Cadence





- *U.S. PMI averaged 61.4 in 1Q21. U.S. Industrial Production in Jan/Feb. 2021 declined 1.7% versus 1Q20. While the latter remained negative through the first months of the quarter, it continues to recover nicely from steep declines in 2020.*
- *Fastener daily sales rose 4.0% in 1Q21. An easy comparison helped, but January 2021 to March 2021 daily growth of 7.1% compared favorably to an average gain of 4.9% from 2017-19 (non-recession years), reflecting strengthening trends.*
- *Safety daily sales rose 14.7% in 1Q21. Sales strengthened to traditional markets, and we retained 25%-plus of the customers who bought from us for the first time in 2Q20. This was mitigated by the onset of tough pandemic-related comparisons. Other products daily sales rose 2.5% in 1Q21.*
- *Manufacturing is strengthening. Construction fell 7.5% when compared to 1Q20, but improved to flat in March. Government growth eased to 37% in 1Q21 and 15% in March on the onset of tough pandemic-related comparisons.*
- *National Accounts' daily sales rose 6.9% in 1Q21, with 54 of our Top 100 customers growing. Non-National Account daily sales rose 3.1%, with 55% of our branches growing in 1Q21.*

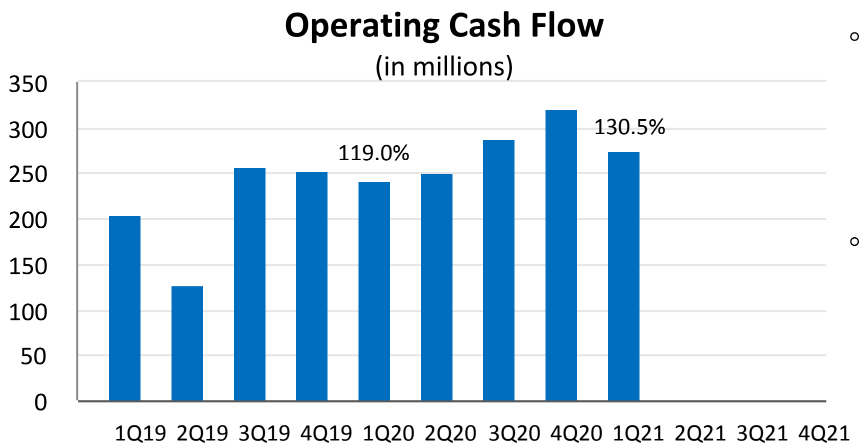
1Q21 Results Summary

Annual Rates of Change Dollar amounts in millions, except per share amounts	1Q21	1Q20	% Chg.
Net Sales	$1,417.0	$1,367.0	3.7%
Daily Sales	*22.5*	*21.4*	*5.3%*
Gross Profit	$643.4	$636.8	1.0%
Gross Profit Margin	45.4%	46.6%	(120) bps
Employee-Related Exp.	—	—	1.8%
Occupancy-Related Exp.	—	—	0.2%
All Other Oper/Admin Exp.	—	—	(15.2%)
Operating Income	$280.3	$271.3	3.3%
Operating Income Margin	19.8%	19.9%	(10) bps
EPS (Fully-Diluted)	$0.37	$0.35	3.7%
Onsite Signings	68	85	(20.0%)
FMI Device Signings	4,683	4,692	(0.2%)
In-market location count	3,244	3,270	(0.8%)
In-market location FTE	11,323	12,334	(8.2%)
Total FTE	18,094	19,235	(5.9%)
Operating Cash Flow	$274.8	$241.1	14.0%
% of Net Earnings	130.5%	119.0%	—
Capital Expenditures (Net)	$30.0	$46.7	(35.8%)
% of Net Sales	2.1%	3.4%	—
Dividends	$160.8	$143.6	12.0%
Share Repurchases	$0.0	$52.0	—
Total Debt	$405.0	$455.0	(11.0%)
Tot. Debt/Capital	12.7%	14.6%	—

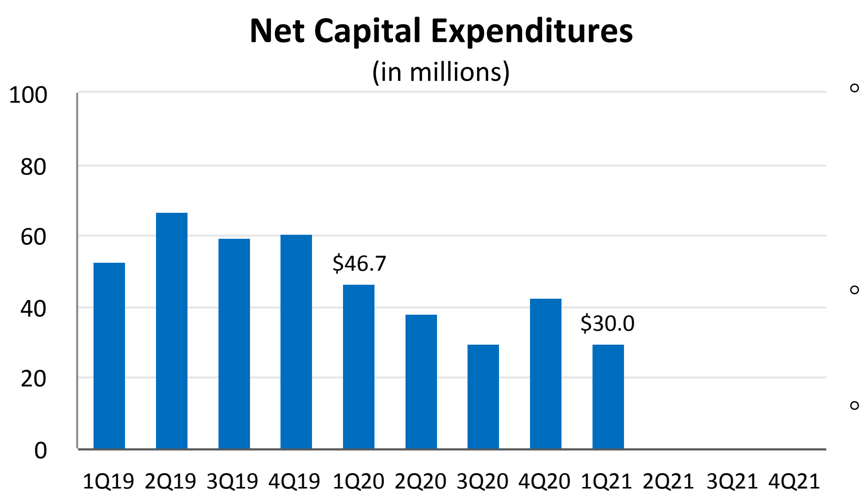
Percentage calculations may not be able to be reproduced due to rounding of dollar values.

- *1Q21 gross margin was 45.4%, down 120 bps from 1Q20. The mask write-down accounts for 50 bps of this decline. The remaining 70 bps are from customer/product mix and safety and fastener and product margins, in relatively equal parts.*
- *Safety margin remains impacted by the mix and sell-through of COVID-affected PPE. Fastener margin was affected by relatively slow growth with small customers, fill-in buys to manage supply chain challenges, and low margin sales in customer implementations, which were completed in 1Q21.*
- *Price added 60 to 90 bps to growth in 1Q21, but did not materially affect margin. We plan to broadly raise prices in 2Q21 to mitigate rising transportation and product costs.*
- *Our 1Q21 operating margin was 19.8%, in-line with 1Q20. Excluding the write-down impact, our 1Q21 operating margin would have been higher by 50 bps and would have expanded versus the prior year on strong discipline with headcount additions, travel expenses, and freight costs. Comparisons become more difficult over the balance of 2021, likely moderating leverage and incremental margins.*

1Q21 Cash Flow Profile



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



2021(E) Net CapEx: $170.0 to $200.0; 2020(A) Net Capex: $157.5

- *1Q21 operating cash flow was $274.8, or 130.5% of net earnings. The addition of operating working capital in 1Q21 was more modest than is seasonally typical, resulting in a favorable comparison to the prior year.*
- *Accounts receivable rose 2.1% in 1Q21 on higher sales, with strong collections improving receivables quality and DSO. Inventory fell 3.0%, on further branch rationalization and efforts to make local inventory more efficient, reduce low value stock, and streamline our internal logistics offsetting improving market activity and supply chain challenges. Inventory levels will need to increase to support growth.*
- *Net capital spending was $30.0 in 1Q21, down from $46.7 in 1Q20 largely from vending due to lower device costs in the wake of our Apex acquisition and lower 2020 signings. Our 2021 net capital spending range remains $170.0 to $200.0.*
- *Balance sheet debt was 12.7% of total capital. Our revolver remains unused, providing us ample liquidity.*
- *We returned $160.8M of capital to shareholders through dividends in 1Q21.*

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.

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 1Q21	TTM 1Q20
Operating Income	$1,150.8	1,067.1
(Income Tax Expense)	(274.3)	(256.0)
NOPAT	$ 876.5	811.1
Total Current Assets	$2,539.3	2,426.8
Cash and Cash Equivalents	(247.3)	(173.1)
Accounts Payable	(213.6)	(198.0)
Accrued Expenses	(246.7)	(230.2)
Property & Equipment, Net	1,024.9	985.5
Other Assets	440.5	318.5 [1]
Invested Capital	$3,297.1	3,129.5
ROIC	**26.6%**	**25.9%**

[1] Other Assets excludes average unamortized value of acquired non-operating intangible assets.

Reconciliation of ROIC to Return on Assets (ROA)

(Amounts in millions)	TTM 1Q21	TTM 1Q20
Net Earnings	$ 867.1	799.4
Total Assets	$4,004.6	3,793.3
ROA	**21.7%**	**21.1%**
NOPAT	$ 876.5	811.1
Add: Income Tax Expense	274.3	256.0
Operating Income	1,150.8	1,067.1
Add: Interest Income	0.5	0.4
Subtract: Interest Expense	(9.9)	(12.1)
Subtract: Income Tax Expense	(274.3)	(256.0)
Net Earnings	**$ 867.1**	**799.4**
Invested Capital	$3,297.1	3,129.5
Add: Cash and Cash Equivalents	247.3	173.1
Add: Accounts Payable	213.6	198.0
Add: Accrued Expenses	246.7	230.2
Add: Excluded Other Assets	—	62.5 [1]
Total Assets	**$4,004.6**	**3,793.3**

*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%)
2021 DSR	0.9%	(2.3%)	5.6%	3.1%												
Delta v. Benchmark	*1.9%*	*(3.5%)*	*2.5%*	*(1.2%)*												
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%	(2.6%)	5.5%	(0.6%)	(7.4%)
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%)*	*(0.1%)*	*(2.0%)*	*3.4%*	*0.0%*
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%*

Days Count													**Total**
2021	20	20	23	22	20	22	21	22	21	21	21	20	253
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

** 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). Surge sales associated with COVID-19 make sequential averages in 2020 unrepresentative. As a result, the 2021 benchmark uses a preceding five-year average that excludes 2020.*

Notes:

- Good Friday was in April of 2019 vs. March of 2018. Good Friday remained in April of 2020 and will be in April of 2021.
- Amounts may not foot due to rounding differences.

Employee Statistics

HEADCOUNT STATISTICS	Absolute Count 1Q21	Absolute Count 4Q20	Absolute Count Change Since 4Q20	Absolute Count 1Q20	Absolute Count Change Since 1Q20	FTE Count [1] 1Q21	FTE Count [1] 4Q20	FTE Count [1] Change Since 4Q20	FTE Count [1] 1Q20	FTE Count [1] Change Since 1Q20
In-market locations (branches & Onsites)	12,683	12,680	0.0%	14,001	(9.4%)	11,323	11,260	0.6%	12,334	(8.2%)
Non-in-market selling	2,001	1,952	2.5%	1,901	5.3%	1,977	1,923	2.8%	1,866	5.9%
Selling subtotal	14,684	14,632	0.4%	15,902	(7.7%)	13,300	13,183	0.9%	14,200	(6.3%)
Distribution/Transportation	3,646	3,583	1.8%	4,082	(10.7%)	2,695	2,591	4.0%	2,992	(9.9%)
Manufacturing	650	639	1.7%	709	(8.3%)	613	607	1.0%	675	(9.2%)
Administrative [2]	1,552	1,511	2.7%	1,438	7.9%	1,486	1,455	2.1%	1,368	8.6%
Non-selling subtotal	5,848	5,733	2.0%	6,229	(6.1%)	4,794	4,653	3.0%	5,035	(4.8%)
Total	20,532	20,365	0.8%	22,131	(7.2%)	18,094	17,836	1.4%	19,235	(5.9%)

NOTES:

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

[2] *Administration primarily includes our Sales Support, Information Technology, Finance and Accounting, Human Resources, and senior leadership roles and functions.*

In-Market Location Statistics

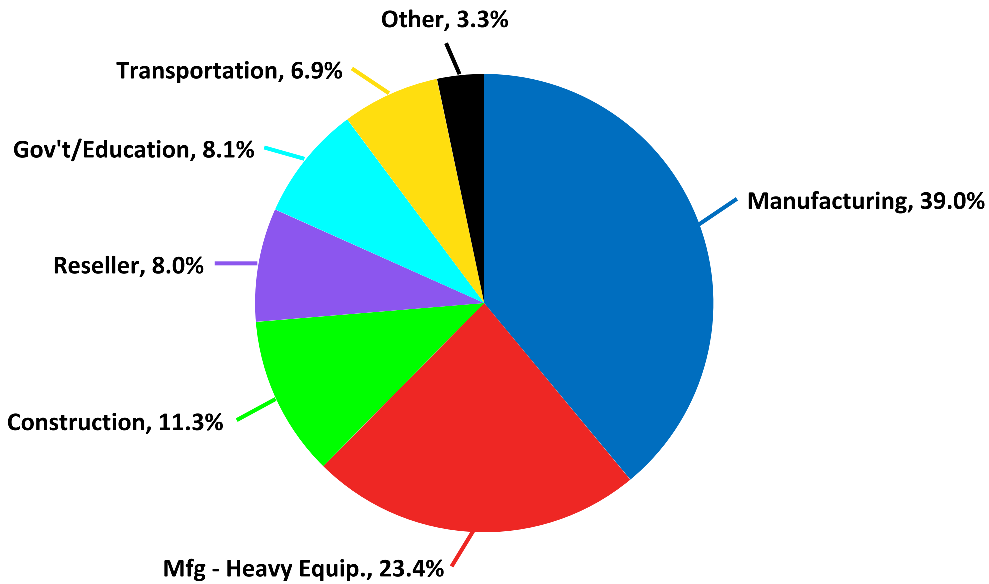
BRANCH STATISTICS	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
New Branch Openings											
1Q	37	28	11	9	2	17	5	0	3	3	2
2Q	38	25	22	8	6	10	5	5	3	4	
3Q	19	20	11	5	5	8	5	3	2	3	
4Q	28	7	9	2	28	5	3	3	4	2	
Cumulative	122	80	53	24	41	40	18	11	12	12	2
Closed/Converted Branches, Net (Annual)	(27)	(13)	(18)	(74)	(56)	(159)	(138)	(167)	(125)	(123)	(46)
Branch Count	**2,585**	**2,652**	**2,687**	**2,637**	**2,622**	**2,503**	**2,383**	**2,227**	**2,114**	**2,003**	**1,959**
Active Onsites				**214**	**264**	**401**	**605**	**894**	**1,114**	**1,265**	**1,285**
TOTAL IN-MARKET LOCATIONS	**2,585**	**2,652**	**2,687**	**2,851**	**2,886**	**2,904**	**2,988**	**3,121**	**3,228**	**3,268**	**3,244**

NOTES:

- *As of March 31, 2021, includes 2,717 in-market locations in the U.S., 401 in Canada and Mexico, and 126 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 -- 2020



MAJOR SEGMENT GROWTH (Daily Sales rates)		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year-to-Date
Manufacturing	2021	4.8%	0.6%	10.8%										5.6%
(incl. Heavy Equip.)	2020	4.3%	6.2%	(1.1%)	(15.6%)	(4.2%)	(8.2%)	(5.5%)	(5.0%)	(3.8%)	(0.1%)	1.4%	4.6%	(2.5%)
Construction	2021	(8.9%)	(14.4%)	0.0%										(7.5%)
	2020	3.2%	4.9%	(7.8%)	(15.5%)	(9.8%)	(5.5%)	(9.6%)	(13.5%)	(11.3%)	(9.9%)	(10.2%)	(8.6%)	(8.1%)