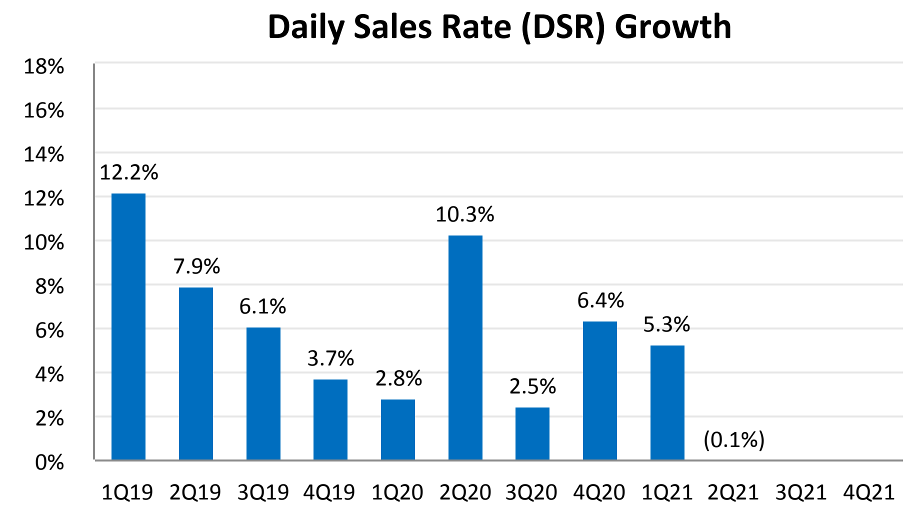
Investor Teleconference Presentation
Second Quarter 2021

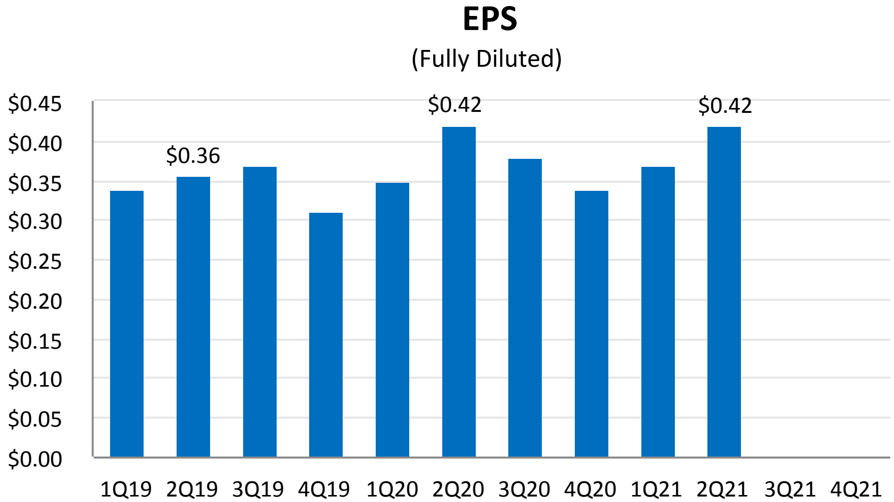

Fastenal Company
July 13, 2021

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 2Q21

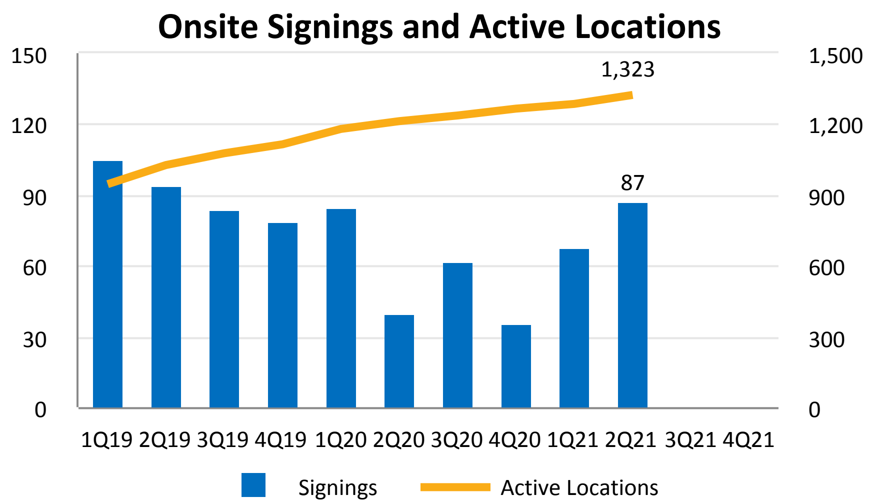


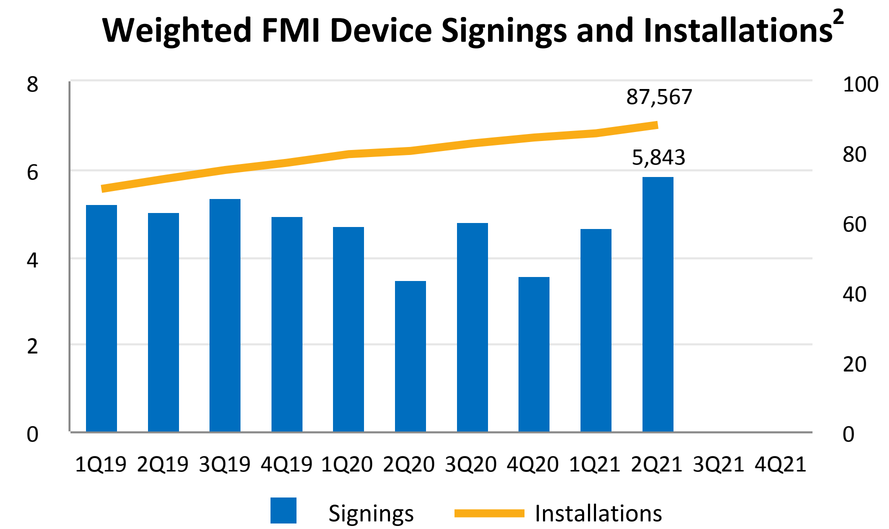


- *Sales to manufacturing and construction customers grew 21.5% in 2Q21, but the fall-off of pandemic-related sales from 2Q20 resulted in flat overall sales.*
- *We continue to manage costs well. Operating profit grew slightly despite flat sales, higher cost from a reset in branch incentive pay, and greater spending to support rising business activity. From 2Q19 to 2Q21, operating expense as a percent of sales fell 140 bps, and our incremental operating margin was roughly 30%.*

  For example, 2Q21 spending on airfare was up 10x vs. 2Q20, but still 82% below 2Q19 levels, when sales were nearly 10% lower.
- *Price actions largely matched product cost increases in 2Q21. Higher gross margin in the period was driven by product mix, overhead/organizational leverage, and better safety product margin on a shift in customer mix.*
- *Our Digital Footprint continues to expand, with a record 41.7% of sales through digital channels in 2Q21. Digital Footprint includes accelerating utilization of our mobility applications (FASTStock), which touched nearly 10% of our sales in 2Q21.*

2Q21 Growth Driver Update





- ***Onsites**: 87 signings in 2Q21 were a second straight post-pandemic high. We finished with 1,323 active sites, +9.2% from 2Q20. Daily sales, excluding transferred branch sales, grew more than 25%. An improving trend suggests 2021 signings in the upper half of our 300 to 350 range.*

- ***FMI**: we signed 5,843 weighted devices in 2Q21, versus 3,473 in 2Q20, with an ending installed base of 87,567 weighted devices, up 9.3% from 2Q20. Daily sales through FMI devices rose 61.4% and constitute 31.1% of sales. An improving trend supports 2021 device signings in the lower half of our 23,000 to 25,000 range.*

- ***E-commerce**: daily sales rose 53.3% in 2Q21. Large customer-oriented EDI was up 51.0%, while web sales were up 60.9%. We continue to see rapid e-commerce growth, with 2Q21 also aided by a relatively easy comparison.*

- *Our **Digital Footprint** in 2Q21 was 41.7% of sales.*

- ***Total** in-market[1] locations were 3,244 at the end of 2Q21, down 0.9% from 3,272 at 2Q20. We closed/converted 43 traditional branches and 24 Onsites in 2Q21.*

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

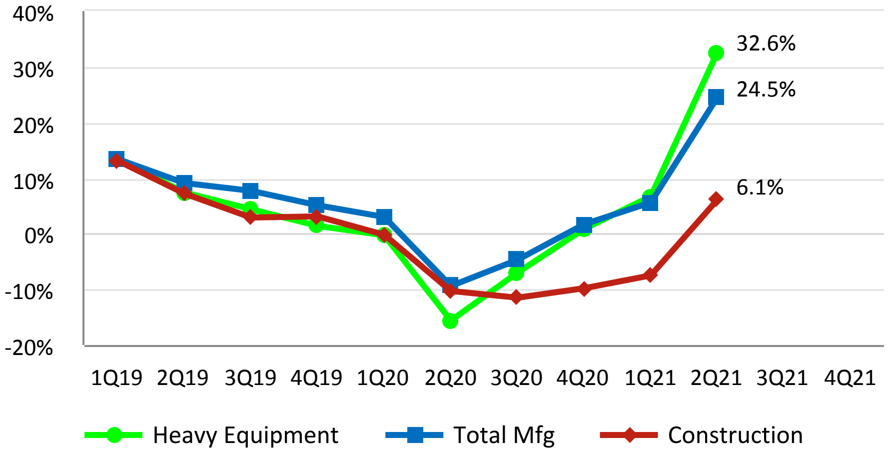
Two Year Results of Operations

(Comparison to 2019 Periods)

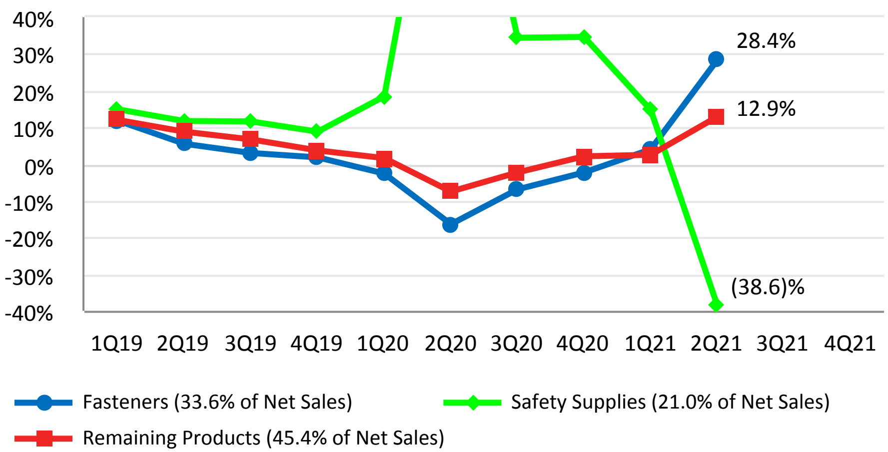
	Six-month Period			Three-month Period		
	2021	2019	Change	2021	2019	Change
Net sales	$ 2,924.7	$ 2,677.7	9.2%	$ 1,507.7	$ 1,368.4	10.2%
Gross profit	$ 1,344.1	$ 1,265.9	6.2%	$ 700.7	$ 641.2	9.3 %
% of net sales	*46.0%*	*47.3%*		*46.5%*	*46.9%*	
Operating and administrative expenses	$ 746.0	$ 729.5	2.3%	$ 382.9	$ 366.2	4.6%
% of net sales	*25.5%*	*27.3%*		*25.4%*	*26.8%*	
Operating income	$ 598.1	$ 536.4	11.5%	$ 317.8	$ 275.0	15.5%
% of net sales	*20.5%*	*20.0%*		*21.1%*	*20.1%*	
Net earnings	$ 450.3	$ 398.7	13.0%	$ 239.7	$ 204.6	17.2%
Net cash provided by operating activities	$ 446.3	$ 333.0	34.0%	$ 171.5	$ 128.1	33.9%
% of net earnings	*99.1%*	*83.5%*		*71.6%*	*62.6%*	

2Q21 Business Cadence

End Market Daily Sales Rate (DSR) Growth



Product Category Daily Sales Rate (DSR) Growth



- *U.S. PMI averaged 60.8 in 2Q21. U.S. Industrial Production in Apr/May 2021 increased 14.2% versus 2Q20. The data reflects strong manufacturing conditions, aided by an easy comparison.*

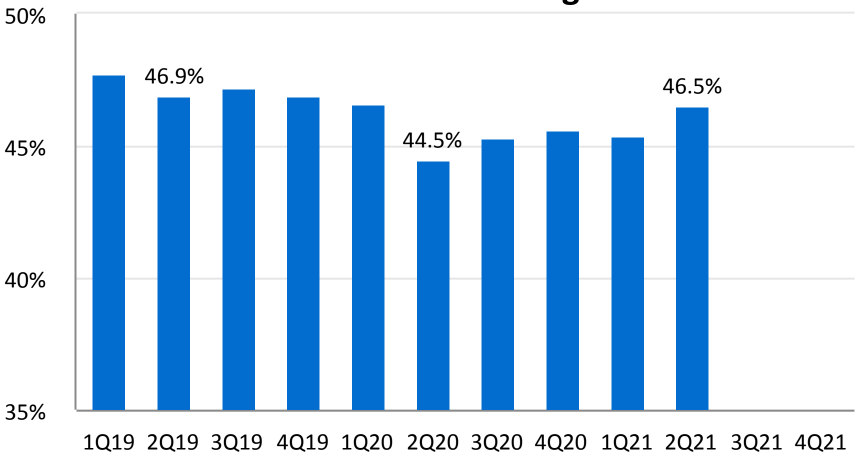
- *In 2Q21, **fastener** daily sales rose 28.4% on firming demand and a relatively easy comparison. **Safety** daily sales fell 38.6%, while **other products** daily sales rose 12.9%. Excluding last year's surge-related PPE and sanitizer sales, we believe growth in daily sales for safety and other products would have approximated that of our fastener products.*

- ***Manufacturing** exhibited broad strength through the period. **Construction** lagged manufacturing, but accelerated with sequential daily growth in 2Q21 topping historical norms. **Government** daily sales fell more than 60% in 2Q21 on tough pandemic-related comparisons, but remained 37.4% above 2Q19 levels.*

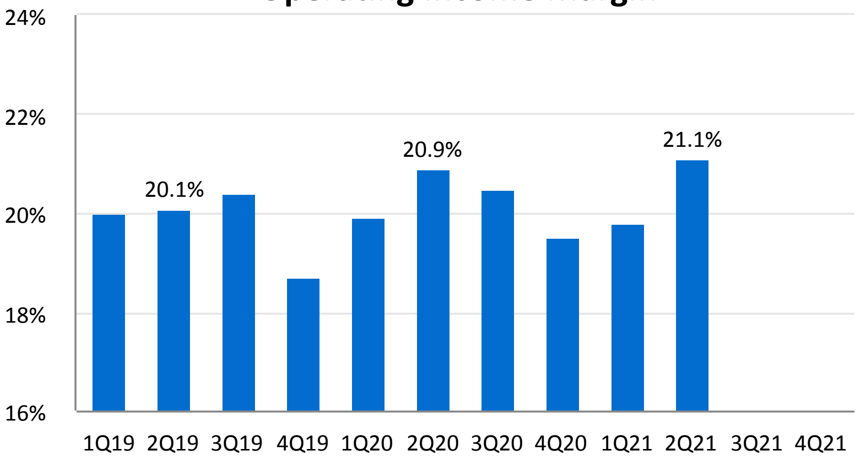
- ***National Accounts'** daily sales rose 1.4%, though 71 of our Top 100 customers grew. Growth was affected by a small number of large customers whose sales fell on the absence of the prior year's surge buying. **Non-National Account** daily sales fell 2.4%, with 70% of our branches growing in 2Q21. Growth was affected by the decline in Government sales.*

2Q21 Margin Summary

Gross Profit Margin

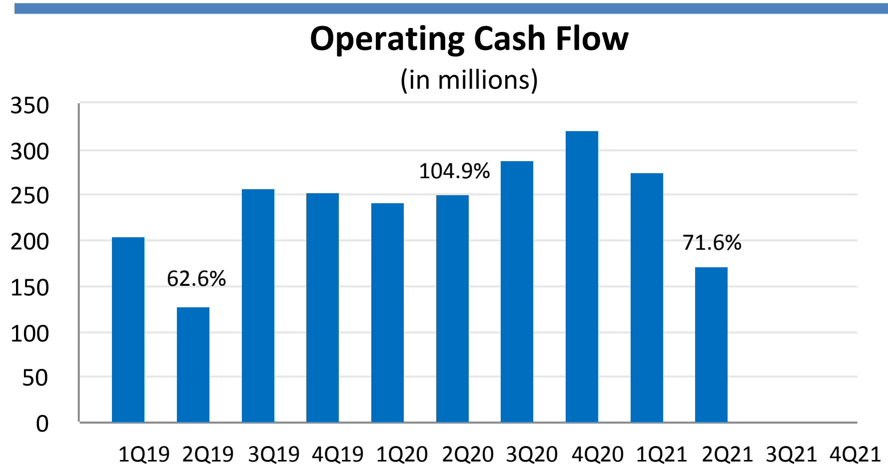


Operating Income Margin

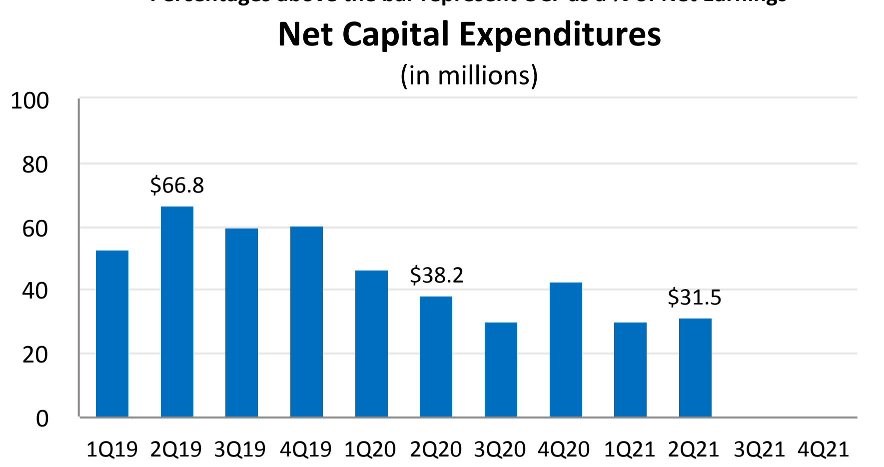


- *Gross margin improved in 2Q21. Mix contributed, as the fastener/non-fastener product growth gap widened faster than the large/small customer growth gap. We also leveraged overhead/organizational costs on strong demand from traditional customers and greater utilization of our traditional supply chain. These effects will likely moderate in future periods.*
- *Price contributed 80 to 110 bps to growth in the second quarter of 2021, mostly matching product inflation. However, pressure from product and transportation inflation will likely be greater in 2H21, and we anticipate taking further steps to address this in 3Q21.*
- *Operating expenses as a percent of sales were +180 bps year-to-year. This reflects having to compare to last year's low labor intensity source of sales. It also reflects a rise in operating costs to support growth: FTE headcount is ticking up, incentive pay grew nearly 20%, healthcare rose meaningfully, travel expenses were up nearly 13x, fuel costs are +51%, etc.*
- *2Q21 optics hide continued strong cost control. Compared to 2Q19, a more normal period, operating expenses as a percent of sales were down 140 bps.*

2Q21 Cash Flow Profile



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



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

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

- *2Q21 operating cash flow was $171.5, or 71.6% of net income. Second quarter conversion rates tend to be lower, averaging 63.5% from 2Q15-2Q19, and in light of this we view our 2Q21 cash generation as healthy. It was below 2Q20, however, because pandemic-related legislation allowed us to defer our 2Q20 tax payments into 3Q20.*
- *Accounts receivable rose 3.1% in 2Q21. Sales mix shifted to traditional customers with longer terms versus surge buyers with shorter terms in 2Q20. Inventory fell 5.3%. The work off of pandemic-related stock, supply chain disruption, branch closures, and internal efforts to improve internal supply chain efficiency produced the decline.*
- *Net capital spending was $31.5 in 2Q21, down from $38.2 in 2Q20. This was mostly due to lower vending spend given lower signings in the last 12 months and greater FMI device refurbishments. We expect 2021 net capital spending to be in the lower end of our $170.0 to $200.0 range.*
- *Balance sheet debt was 12.3% of total capital. Our revolver remains unused, providing us ample liquidity.*
- *We returned $160.8M of capital to shareholders through dividends in 2Q21.*

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 10 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 2Q21	TTM 2Q20
Operating Income	$ 1,152.6	1,108.1
(Income Tax Expense)	(275.0)	(264.0)
NOPAT	$ 877.6	844.1
Total Current Assets	$ 2,655.8	2,537.3
Cash and Cash Equivalents	(261.7)	(188.3)
Accounts Payable	(215.1)	(199.0)
Accrued Expenses	(258.1)	(232.1)
Property & Equipment, Net	1,022.8	1,002.4
Other Assets	447.4	318.6 [1]
Invested Capital	$ 3,391.1	3,238.9
ROIC	**25.9%**	**26.1%**

[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 2Q21	TTM 2Q20
Net Earnings	$ 867.9	833.7
Total Assets	$ 4,125.9	3,920.8
ROA	**21.0%**	**21.3%**
NOPAT	$ 877.6	844.1
Add: Income Tax Expense	275.0	264.0
Operating Income	1,152.6	1,108.1
Add: Interest Income	0.4	0.4
Subtract: Interest Expense	(10.1)	(10.8)
Subtract: Income Tax Expense	(275.0)	(264.0)
Net Earnings	**$ 867.9**	**833.7**
Invested Capital	$ 3,391.1	3,238.9
Add: Cash and Cash Equivalents	261.7	188.3
Add: Accounts Payable	215.1	199.0
Add: Accrued Expenses	258.1	232.1
Add: Excluded Other Assets	—	62.5 [1]
Total Assets	**$ 4,125.9**	**3,920.8**

*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%	(2.2%)	5.6%	1.6%	8.2%								
Delta v. Benchmark	*1.9%*	*(3.5%)*	*2.5%*	*(1.2%)*	*(2.3%)*	*3.9%*	*(0.2%)*	*0.1%*								
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**
2022	21	20	23	21	21	22	20	23	21	21	21	20	254
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

** 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 2021.
- Amounts may not foot due to rounding differences.

Employee Statistics

HEADCOUNT STATISTICS	Absolute Count 2Q21	1Q21	Change Since 1Q21	4Q20	Change Since 4Q20	2Q20	Change Since 2Q20	FTE Count [1] 2Q21	1Q21	Change Since 1Q21	4Q20	Change Since 4Q20	2Q20	Change Since 2Q20
In-market locations (branches & Onsites)	12,446	12,683	(1.9%)	12,680	(1.8%)	12,982	(4.1%)	11,390	11,323	0.6%	11,260	1.2%	11,310	0.7%
Non-in-market selling	2,044	2,001	2.1%	1,952	4.7%	1,904	7.4%	2,021	1,977	2.2%	1,923	5.1%	1,876	7.7%
Selling subtotal	14,490	14,684	(1.3%)	14,632	(1.0%)	14,886	(2.7%)	13,411	13,300	0.8%	13,183	1.7%	13,186	1.7%
Distribution/Transportation	3,593	3,646	(1.5%)	3,583	0.3%	3,682	(2.4%)	2,691	2,695	(0.1%)	2,591	3.9%	2,615	2.9%
Manufacturing	649	650	(0.2%)	639	1.6%	664	(2.3%)	618	613	0.8%	607	1.8%	625	(1.1%)
Administrative [2]	1,585	1,552	2.1%	1,511	4.9%	1,435	10.5%	1,533	1,486	3.2%	1,455	5.4%	1,388	10.4%
Non-selling subtotal	5,827	5,848	(0.4%)	5,733	1.6%	5,781	0.8%	4,842	4,794	1.0%	4,653	4.1%	4,628	4.6%
Total	20,317	20,532	(1.0%)	20,365	(0.2%)	20,667	(1.7%)	18,253	18,094	0.9%	17,836	2.3%	17,814	2.5%

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

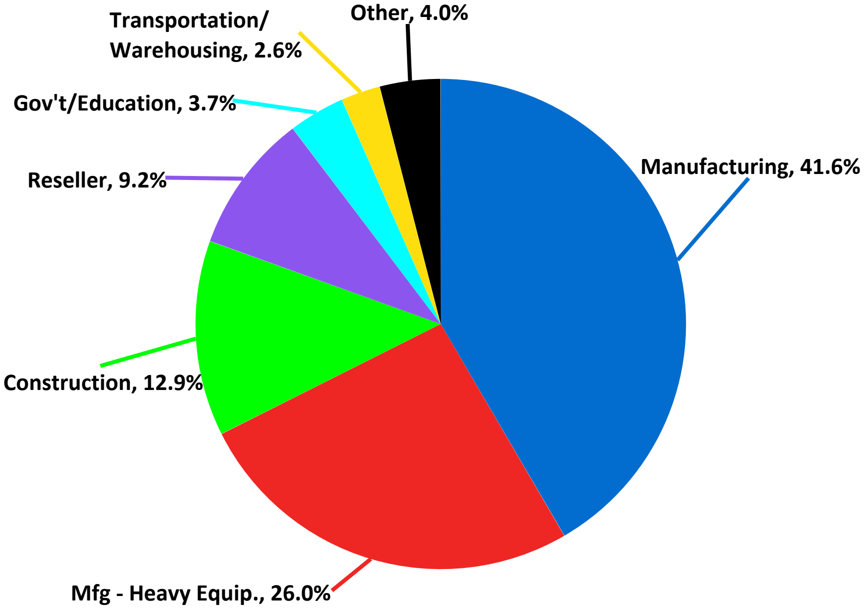
BRANCH STATISTICS	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
New Branch Openings											
1Q	37	28	11	9	2	17	5	0	3	3	2
2Q	38	25	22	8	6	10	5	5	3	4	5
3Q	19	20	11	5	5	8	5	3	2	3	
4Q	28	7	9	2	28	5	3	3	4	2	
Cumulative	122	80	53	24	41	40	18	11	12	12	7
Closed/Converted Branches, Net (Annual)	(27)	(13)	(18)	(74)	(56)	(159)	(138)	(167)	(125)	(123)	(89)
Branch Count	**2,585**	**2,652**	**2,687**	**2,637**	**2,622**	**2,503**	**2,383**	**2,227**	**2,114**	**2,003**	**1,921**
Active Onsites				**214**	**264**	**401**	**605**	**894**	**1,114**	**1,265**	**1,323**
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:

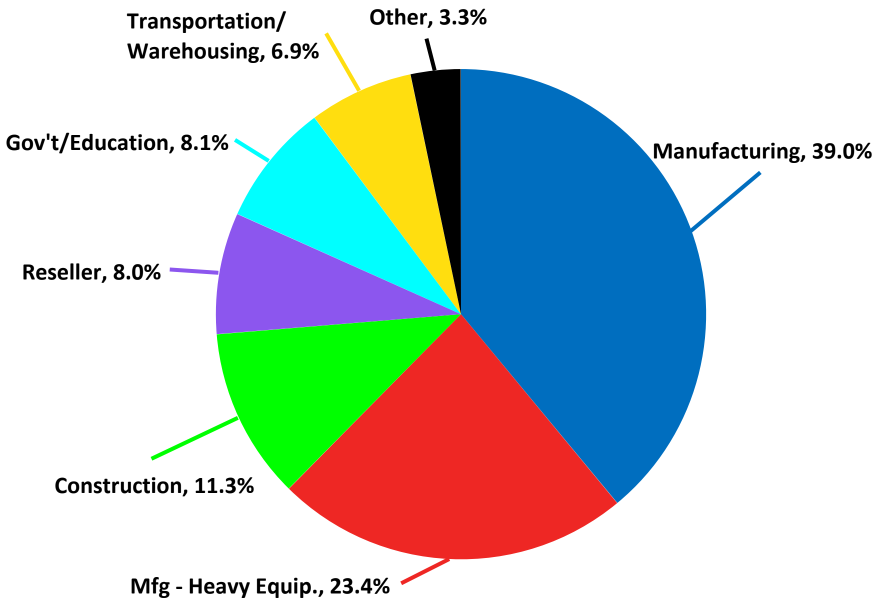
- *As of June 30, 2021, includes 2,708 in-market locations in the U.S., 405 in Canada and Mexico, and 131 in the rest of the world.*
- *Branch Count includes all locations that sell to multiple customer accounts (primarily our traditional and overseas branches) and excludes locations that sell to single 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



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%	30.8%	18.9%	24.3%							14.6%
(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%	11.9%	4.4%	2.5%							(0.8%)
	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%)