2023 THIRD QUARTER

INVESTOR **TELECONFERENCE**

OCTOBER 12, 2023

FASTENAL®

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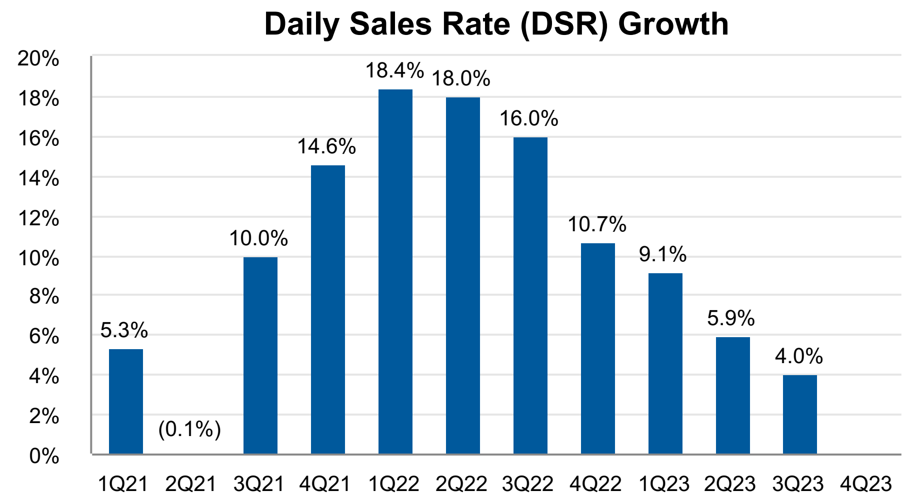
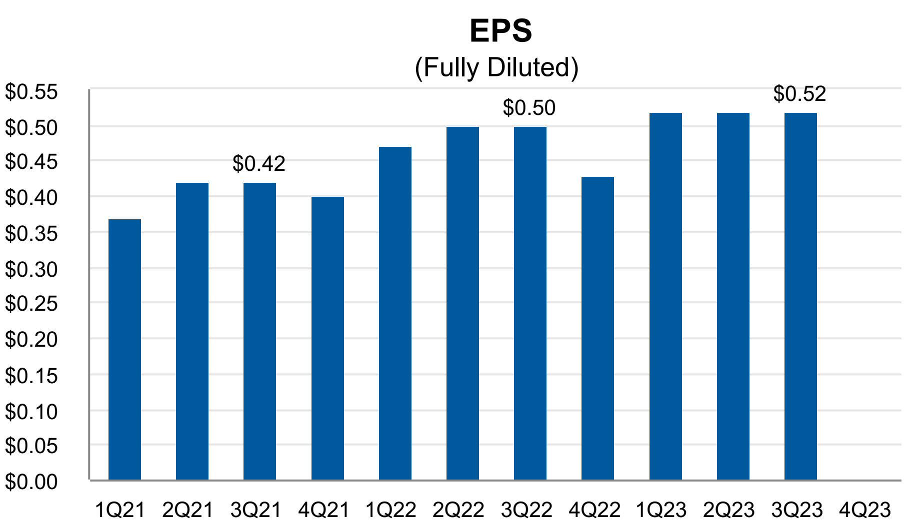
SAFE HARBOR STATEMENT

All statements made herein that are not historical facts (e.g., future operating results, long-term share gains, and business activity, as well as expectations regarding operations, including gross margin, future inventory levels, pricing, Onsite and weighted FMI device signings, the size of our U.S./Canada network of traditional branches, operating costs, capital expenditures, sales through our digital footprint, and supply chain matters) 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 non-GAAP financial measures. Information required by Regulation G with respect to such non-GAAP financial measures can be found in the appendix including a comparison and reconciliation to the comparable GAAP measures.

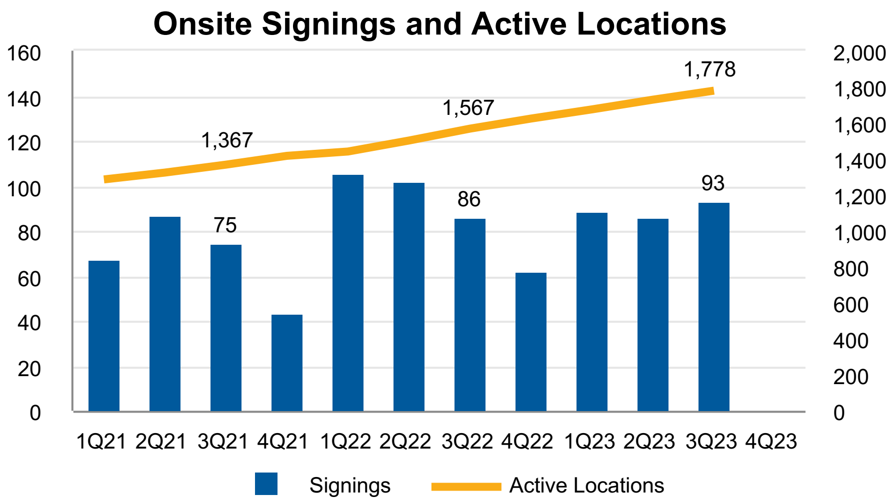
CEO MESSAGES ON 3Q23

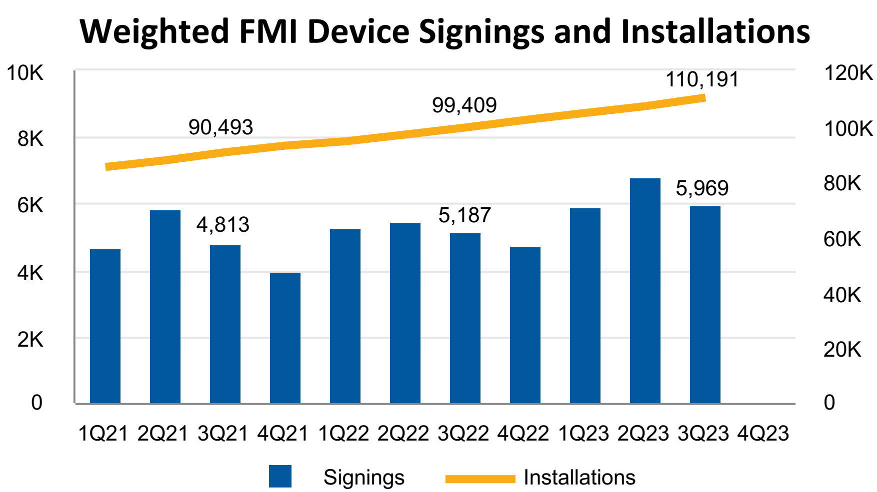




- Conditions remained challenging in 3Q23, reflected in daily sales growth of +4.0%. Still, the period hit a milestone: September was the first month in our history to generate $30M in sales per day. We translated this growth into EPS of $0.52, +4.1%.
- Our results reflect our unique product profile. Fasteners still constitute roughly one-third of our sales, and are heavily OEM-oriented (62.6% of fastener sales and growing); our other lines tend to be more MRO-oriented. As a result, fastener daily sales have decelerated at a faster rate than our non-fastener sales.
- 3Q23 operating margin of 21.0% matched last year despite one less selling day. Most of our SG&A is not variable to business days, and on a same-days basis we think we would have increased our operating margin.
- The Blue Team has effectively worked down and made our inventory more efficient without impeding service. This has produced strong cash flow. Year-to-date, we have converted 121% of our net earnings into operating cash, the highest in a decade that has averaged 95%.
- Our Onsite and FMI installed bases and our Digital Footprint continue to expand. Particularly in the case of Onsite, success can accelerate by driving participation. We believe the potential exists for most of our District Managers to land two new Onsites per year.

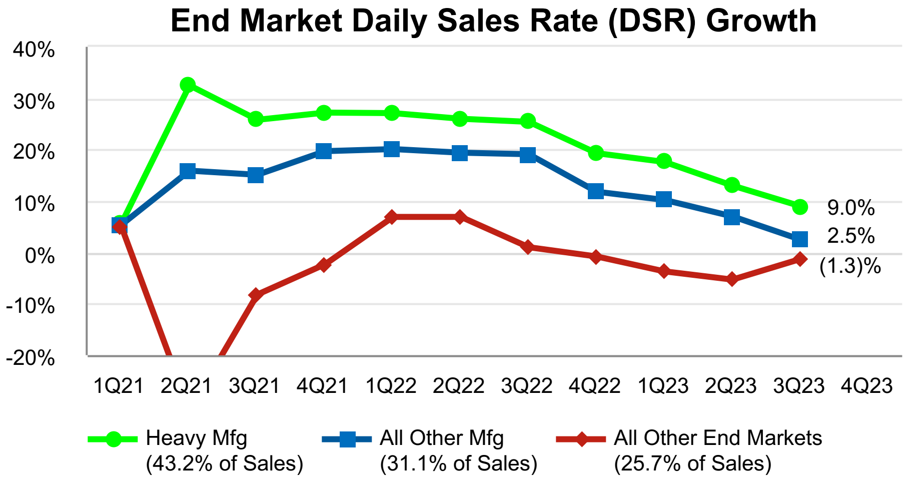
3Q23 GROWTH DRIVER UPDATE

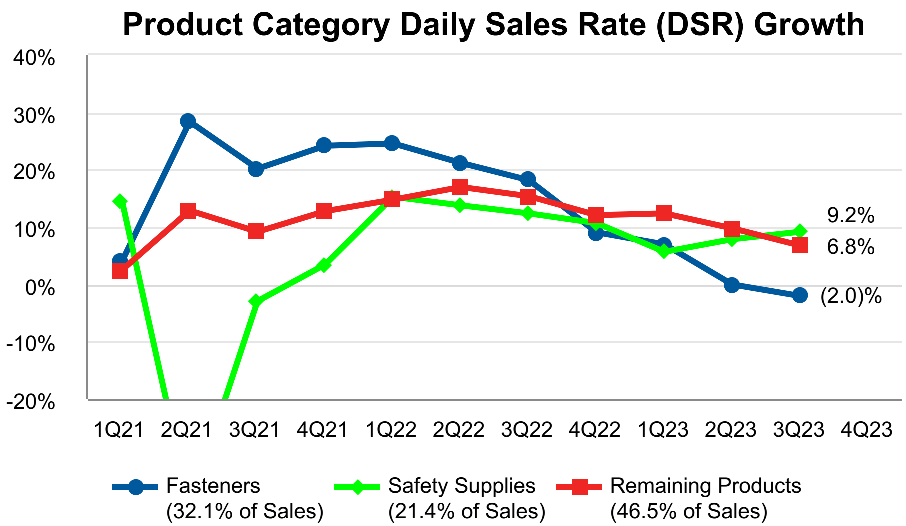




- **Onsites:** We had 93 signings in 3Q23. Active sites finished at 1,778, +13.5% from 3Q22. Daily sales, excluding transferred branch sales, grew at a low double-digit rate from 3Q22. Based on the pace of signings in the first nine months of 2023, we anticipate signing approximately 350 Onsite locations in 2023.
- **FMI Technology:** We signed 5,969 weighted devices (95/day) in 3Q23, versus 5,187 (81/day) in 3Q22. Our installed base was 110,191 weighted devices, +10.8% from 3Q22. Activity through our FMI technology platform represented 40.7% of sales in 3Q23, versus 36.9% of sales in 3Q22 and 33.0% of sales in 3Q21. Our 2023 signings goal remains 23,000 to 25,000 MEU of FASTBin and FASTVend units.
- **eCommerce:** Daily sales rose 41.3% in 3Q23. Large customer-oriented electronic data interface (EDI) was up 33.6%, while web sales were up 65.3%.
- Sales through our **Digital Footprint** (FMI technology plus non-FMI-related eCommerce) was 57.1% of sales in 3Q23, versus 49.5% in 3Q22. We currently believe sales running through our Digital Footprint will reach 60% at some point in 2023. Our long-term expectation of 85% is unchanged.

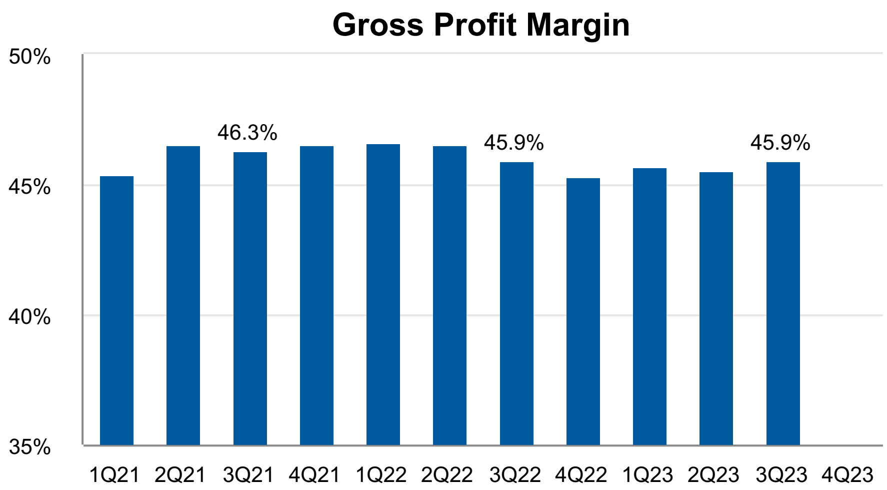
3Q23 BUSINESS CADENCE

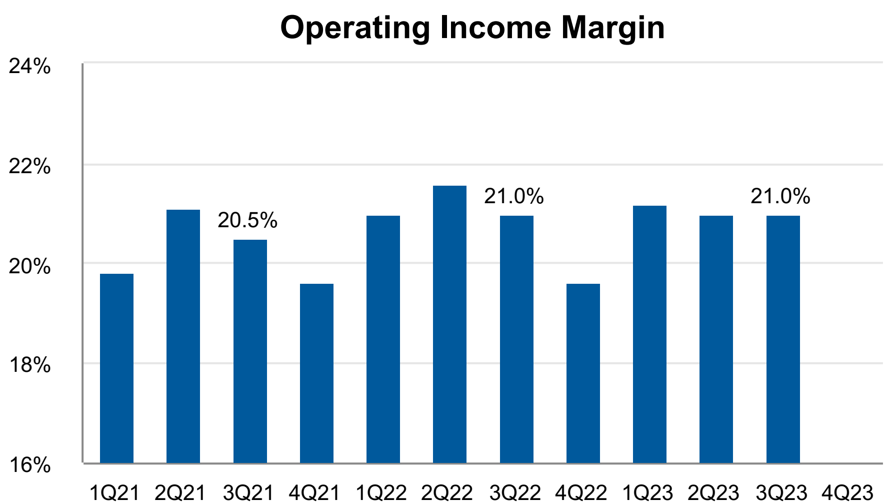




- U.S. Industrial Production was flat in Jul./Aug. 2023 over 3Q22, although heavier manufacturing components continue to modestly decline, a pattern captured by relative weakness of our OEM-heavy **fastener** product line. U.S. PMI averaged 47.7 in 3Q23; sub-50 readings reflect falling manufacturing activity. September improved to 49.0, however, the highest reading of the year.
- Daily sales grew 4.0% in 3Q23. September grew 5.0% and modestly exceeded the historical sequential average. Based on feedback from regional leadership, this likely reflects easing comparisons more than substantive gains in business activity during the period.
- Price levels eased slightly in 3Q23 primarily due to fasteners. Overall, pricing conditions are mostly stable with contribution to growth from price in 3Q23 within normal historical ranges.
- **Manufacturing** continues to grow despite softer conditions, as a result of contributions from newer Onsite locations and our customer solution consultant (CSC) initiative. **All Other End Markets** daily sales declined due to lower sales to non-residential construction and reseller customers, partly offset by higher government and warehousing customers.
- **National Accounts'** daily sales rose 8.6% in 3Q23, with 63 of our Top 100 customers growing. **Non-National Account** daily sales fell 1.9% in 3Q23, with 53.1% of our in-market locations growing.

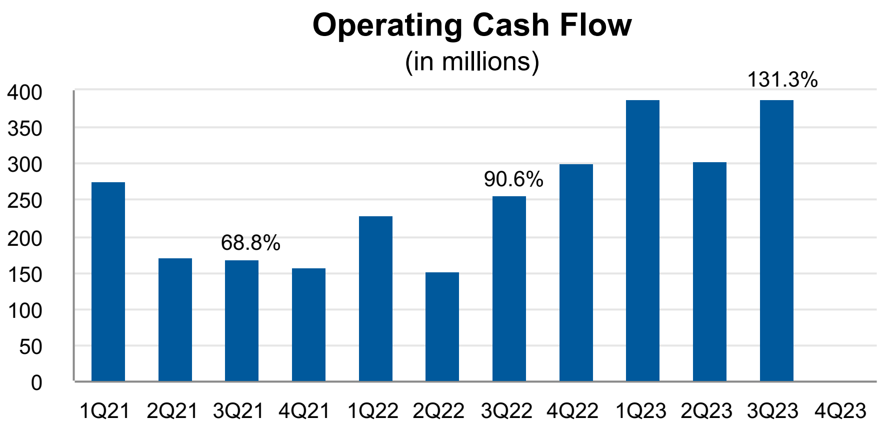
3Q23 MARGIN SUMMARY



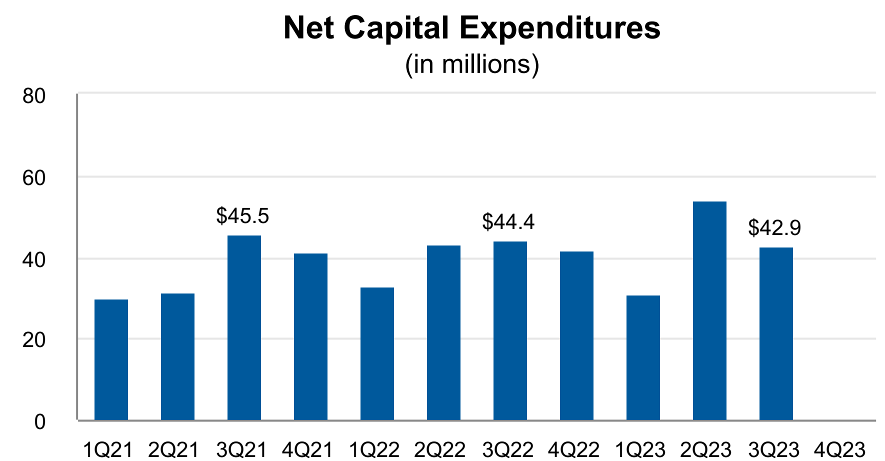


- 3Q23 gross margin was 45.9%, unchanged from 45.9% in 3Q22. Negative mix was offset by better freight costs, the absence of last year's glove write-down, and slightly positive price-cost. The impact of mix was slightly less negative and price-cost was slightly more positive than expected.
- Price-cost was influenced by lower costs, specifically related to shipping expenses, as we took no meaningful pricing actions in 3Q23. The benefit largely recaptures the price-cost deficit we experienced in the year earlier period. Our goal remains to be price-cost neutral, and our expectation is that we will trend back to that over the next several quarters.
- Our 3Q23 operating margin was 21.0%, unchanged from 21.0% in 3Q22. SG&A was 25.0% of net sales, increased from 24.8% in 3Q22.
- Our ability to leverage was challenged by low daily sales growth and having one fewer selling day in the period relative to 3Q22. This particularly affects costs that are not variable based on calendar days, such as full-time base pay, store rent, information technology, and FMI-related depreciation.
- We more effectively managed discretionary spending in the period. For instance, spending on travel/meals/supplies fell 0.6% annually and 17.0% sequentially. Further, FTE finished down 347 versus 2Q23 and annual growth in FTE of 3.9% was the lowest of the year. We will continue to focus on managing expenses in light of still sluggish demand.

3Q23 CASH FLOW PROFILE



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



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

2023(E) Net CapEx: $180.0 to $190.0; 2022(A) Net CapEx: $162.4

- 3Q23 operating cash flow was $388.1, or 131.3% of net earnings. Working capital was a source of cash in the period, contrasting to a use of cash in 3Q22. The absence of last year's supply chain constraints and, to a lesser degree, slower business activity, has reduced the working capital required to support our customer's operations.
- Accounts receivable rose 5.4% from 3Q22. This reflects sales growth and relative growth with larger customers that tend to have longer terms.
- Inventory fell 9.8% from 3Q22, reflecting shorter order cycles for imported products and modest product deflation. Even so, our 3Q23 DOH of 134.6 is well below pre-pandemic levels (3Q19 DOH was 167.6 days), which reflects sustainable improvements that have reduced the asset intensity of the company.
- We expect 2023 net capital spending to be between $180.0 to $190.0, down from our prior range of $210.0 to $230.0. This reflects the deferral of several distribution center-related projects. Projected 2023 net capital spending is still above the prior year based on higher investments in our vehicle fleet and information technology.
- We returned $199.8 of capital to shareholders through dividends in 3Q23. Balance sheet debt was 7.0% of total capital in 3Q23, versus 14.9% in 3Q22.

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 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.

RETURN ON INVESTED CAPITAL*

Calculation of Return on Invested Capital

(Amounts in millions)		TTM 3Q23	TTM 3Q22
Operating Income	$	1,507.8	1,421.5
Income Tax Expense		(361.7)	(337.8)
NOPAT	$	1,146.1	1,083.7
Total Current Assets	$	3,171.6	2,983.0
Cash and Cash Equivalents		(264.5)	(241.0)
Accounts Payable		(276.2)	(267.1)
Accrued Expenses		(259.1)	(280.2)
Property & Equipment, Net		1,010.1	1,013.9
Other Assets		430.3	428.2
Invested Capital	$	3,812.2	3,636.8
ROIC		**30.1%**	**29.8%**

Reconciliation of ROIC to Return on Assets (ROA)

(Amounts in millions)		TTM 3Q23	TTM 3Q22
Net Earnings	$	1,134.2	1,072.5
Total Assets	$	4,612.0	4,425.0
ROA		**24.6%**	**24.2%**
NOPAT	$	1,146.1	1,083.7
Add: Income Tax Expense		361.7	337.8
Operating Income		1,507.8	1,421.5
Add: Interest Income		2.1	0.4
Subtract: Interest Expense		(14.0)	(11.6)
Subtract: Income Tax Expense		(361.7)	(337.8)
Net Earnings	**$**	**1,134.2**	**1,072.5**
Invested Capital	$	3,812.2	3,636.8
Add: Cash and Cash Equivalents		264.5	241.0
Add: Accounts Payable		276.2	267.1
Add: Accrued Expenses		259.1	280.2
Total Assets	**$**	**4,612.0**	**4,425.0**

* 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	Jun.	Cum. Chg., Jan. to Jun.	Jul.	Aug.	Sep.	Cum. Chg., Jan. to Sep.	Oct.	Cum. Chg., Jan. to Oct.	Nov.	Dec.
BENCHMARK**	0.2%	1.5%	3.8%	5.4%	(0.5%)	2.7%	2.0%	9.8%	(3.1%)	2.9%	3.6%	13.4%	(1.9%)	11.2%	(3.5%)	(6.6%)
2023 DSR	(0.4%)	1.7%	1.0%	2.6%	(0.2%)	0.7%	(0.2%)	2.9%	(2.6%)	1.3%	4.0%	5.5%				
Delta v. Benchmark	*(0.6%)*	*0.1%*	*(2.9%)*	*(2.8%)*	*0.2%*	*(2.0%)*	*(2.1%)*	*(6.9%)*	*0.5%*	*(1.6%)*	*0.4%*	*(7.8%)*				
2022 DSR	1.7%	3.1%	3.6%	6.9%	(1.2%)	3.2%	0.2%	9.2%	(1.6%)	1.3%	2.7%	11.8%	(0.1%)	11.7%	(4.3%)	(6.6%)
Delta v. Benchmark	*1.5%*	*1.6%*	*(0.2%)*	*1.5%*	*(0.7%)*	*0.6%*	*(1.7%)*	*(0.5%)*	*1.5%*	*(1.6%)*	*(0.9%)*	*(1.5%)*	*1.8%*	*0.5%*	*(0.8%)*	*0.0%*
2021 DSR	0.9%	(2.3%)	5.6%	3.1%	(2.2%)	5.6%	1.6%	8.2%	(3.4%)	3.1%	4.8%	13.0%	0.0%	13.0%	(1.4%)	(4.7%)
Delta v. Benchmark	*0.8%*	*(3.8%)*	*1.8%*	*(2.2%)*	*(1.7%)*	*2.9%*	*(0.4%)*	*(1.5%)*	*(0.3%)*	*0.2%*	*1.2%*	*(0.4%)*	*2.0%*	*1.9%*	*2.1%*	*2.0%*
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	*(1.5%)*	*0.9%*	*(4.1%)*	*(3.2%)*	*4.4%*	*7.7%*	*(5.3%)*	*3.5%*	*(7.3%)*	*0.9%*	*(0.7%)*	*(5.0%)*	*(0.7%)*	*(5.7%)*	*2.9%*	*(0.8%)*

Days Count																	**Total**
2024	22	21	21		22	22	20		22	22	20		23		20	20	255
2023	21	20	23		20	22	22		20	23	20		22		21	19	253
2022	21	20	23		21	21	22		20	23	21		21		21	20	254

* The January average is based on the historical change in January vs. the prior year's October. All other months are sequential.

** The benchmark for each month is the average of the previous five years for that month. As COVID-19-related surge sales made sequential averages in 2020 unrepresentative, the benchmark uses a preceding five-year average that <u>excludes</u> 2020. We also exclude the impact of the 2017 Mansco acquisition.

Notes:

- Good Friday was in April of 2020, 2021, 2022, 2023, and will be in March of 2024.
- Amounts may not foot due to rounding differences.

EMPLOYEE STATISTICS

HEADCOUNT STATISTICS	Absolute Count 3Q23	2Q23	Change Since 2Q23	4Q22	Change Since 4Q22	3Q22	Change Since 3Q22	FTE Count [1] 3Q23	2Q23	Change Since 2Q23	4Q22	Change Since 4Q22	3Q22	Change Since 3Q22
Total selling personnel [2]	16,261	16,302	(0.3%)	15,898	2.3%	15,662	3.8%	14,750	14,993	(1.6%)	14,476	1.9%	14,284	3.3%
Distribution/ Transportation personnel	3,955	3,950	0.1%	3,974	(0.5%)	3,907	1.2%	2,984	3,053	(2.3%)	2,971	0.4%	2,889	3.3%
Manufacturing personnel	745	754	(1.2%)	733	1.6%	706	5.5%	704	723	(2.6%)	696	1.1%	671	4.9%
Organizational support personnel [2]	1,901	1,907	(0.3%)	1,781	6.7%	1,750	8.6%	1,846	1,862	(0.9%)	1,711	7.9%	1,675	10.2%
Total personnel	22,862	22,913	(0.2%)	22,386	2.1%	22,025	3.8%	20,284	20,631	(1.7%)	19,854	2.2%	19,519	3.9%

NOTES:

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

[2] Of our Total Selling Personnel, 80%-85% are attached to a specific in-market location. Organizational support personnel consists of: (1) Sales & Growth Driver Support personnel (approximately 35% of category), which includes sourcing, purchasing, supply chain, product development, etc.; (2) Information Technology personnel (35% to 40% of category); and (3) Administrative Support personnel (25% to 30% of category), which includes human resources, Fastenal School of Business, accounting and finance, senior management, etc.

IN-MARKET LOCATION STATISTICS

	2017	2018	2019	2020	2021	2022	Quarterly 1Q23	2Q23	3Q23	4Q23
Starting Branches	2,503	2,383	2,227	2,114	2,003	1,793	1,683	1,660	1,635	
Opened Branches	18	11	12	12	10	12	2	3	3	
Closed/ Converted Branches [1]	(138)	(167)	(125)	(123)	(220)	(122)	(25)	(28)	(23)	
Ending Branches [2]	**2,383**	**2,227**	**2,114**	**2,003**	**1,793**	**1,683**	**1,660**	**1,635**	**1,615**	
United States	2,084	1,932	1,814	1,697	1,484	1,369	1,343	1,315	1,292	
Canada/ Mexico	248	238	239	237	236	235	235	235	237	
Rest of the World	51	57	61	69	73	79	82	85	86	
Starting Onsites	401	605	894	1,114	1,265	1,416	1,623	1,674	1,728	
Opened Onsites	218	318	312	257	242	306	84	89	79	
Closed/ Converted Onsites [1]	(14)	(29)	(92)	(106)	(91)	(99)	(33)	(35)	(29)	
Ending Onsites [2]	**605**	**894**	**1,114**	**1,265**	**1,416**	**1,623**	**1,674**	**1,728**	**1,778**	
United States	493	739	935	1,055	1,184	1,338	1,378	1,425	1,468	
Canada/ Mexico	94	126	143	163	178	218	228	236	241	
Rest of the World	18	29	36	47	54	67	68	67	69	
In-Market Locations	**2,988**	**3,121**	**3,228**	**3,268**	**3,209**	**3,306**	**3,334**	**3,363**	**3,393**	

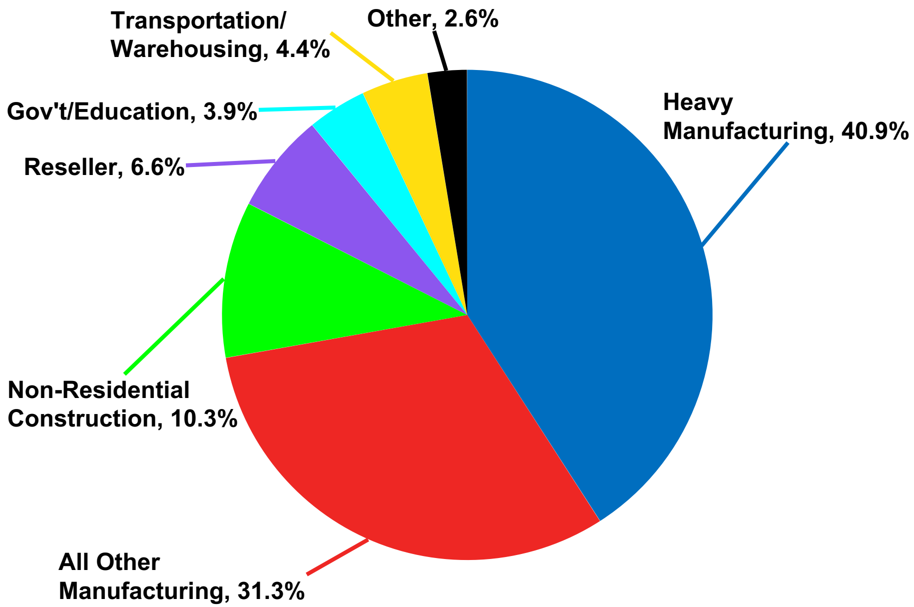
(1) The net impact of non-in-market locations or Onsite locations converted to branches, branches converted to Onsite locations or non-in-market locations, and closures of branches or Onsite locations.

(2) Beginning in 2022, the United States includes the Dominican Republic, Guam, and Puerto Rico which were previously grouped with other geographical regions. Prior period figures in the above table may differ slightly from those previously disclosed due to this minor change in reporting.

Notes:

- Branch count includes all locations that sell to multiple customer accounts (primarily our traditional and overseas branches). Onsite count includes all locations that sell to a single customer account.

END MARKET PROFILE



MAJOR SEGMENT GROWTH (Daily Sales rates)		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Year-to-Date	Oct.	Nov.	Dec.	Full Year
Manufacturing	2023	17.0%	15.8%	11.0%	13.0%	9.7%	8.7%	6.9%	5.4%	6.6%	10.2%				
	2022	20.8%	25.8%	25.2%	25.7%	22.4%	21.0%	22.7%	23.5%	21.5%	23.2%	19.0%	15.3%	13.4%	21.3%
Non-Residential Construction	2023	(1.7%)	(1.8%)	(3.5%)	(8.2%)	(9.5%)	(8.6%)	(9.5%)	(6.2%)	(6.2%)	(6.2%)				
	2022	12.9%	19.5%	11.1%	13.4%	10.7%	8.3%	8.8%	5.8%	1.4%	9.8%	1.2%	(0.9%)	(2.5%)	7.2%
Reseller	2023	(0.5%)	(4.6%)	(11.0%)	(8.8%)	(8.9%)	(8.5%)	(6.3%)	(7.3%)	(6.9%)	(7.1%)				
	2022	0.9%	8.2%	6.1%	3.8%	4.8%	3.1%	3.9%	5.5%	1.8%	4.2%	1.7%	(3.3%)	(8.0%)	2.4%

THANK YOU

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