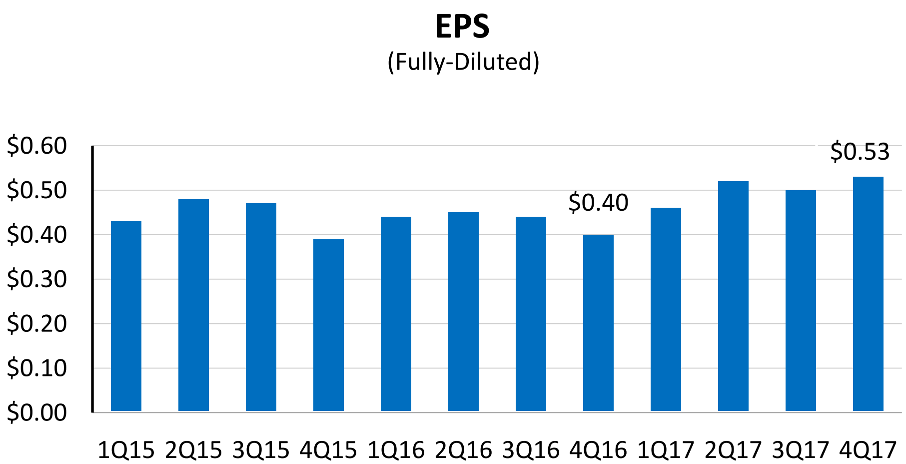
Investor Teleconference Presentation
Fourth Quarter 2017

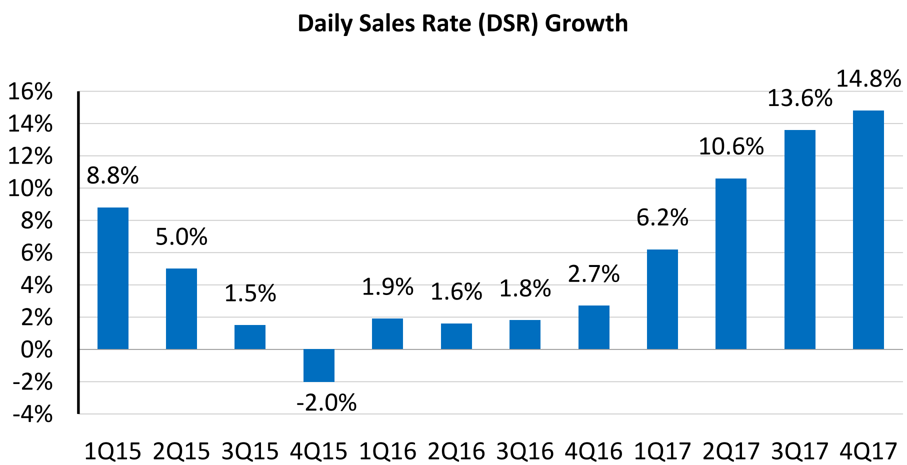

Fastenal Company
January 17, 2018

Safe Harbor Statement

All statements made herein that are not historical facts (e.g., goals regarding Onsite and vending signings as well as expectations regarding FTE, leverage, cash flow, tax rates, 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, 2016 filed with the Securities & Exchange Commission and our earnings release issued on January 17, 2018. 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.

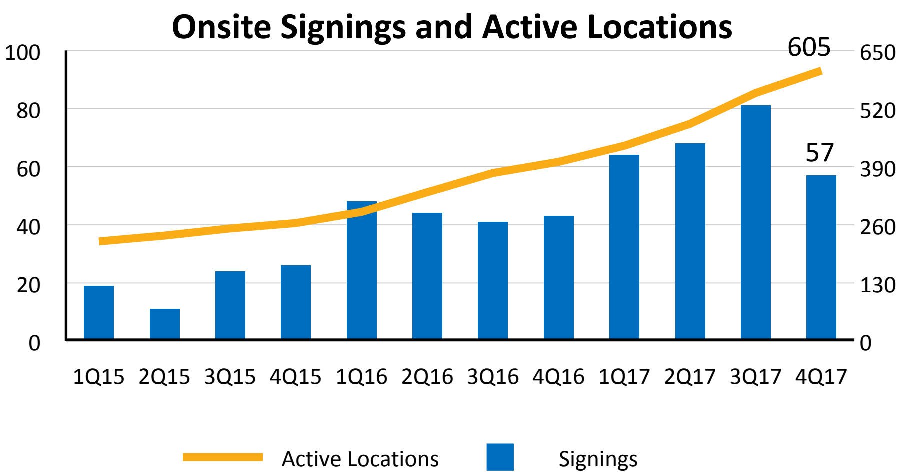
CEO Messages on 4Q17

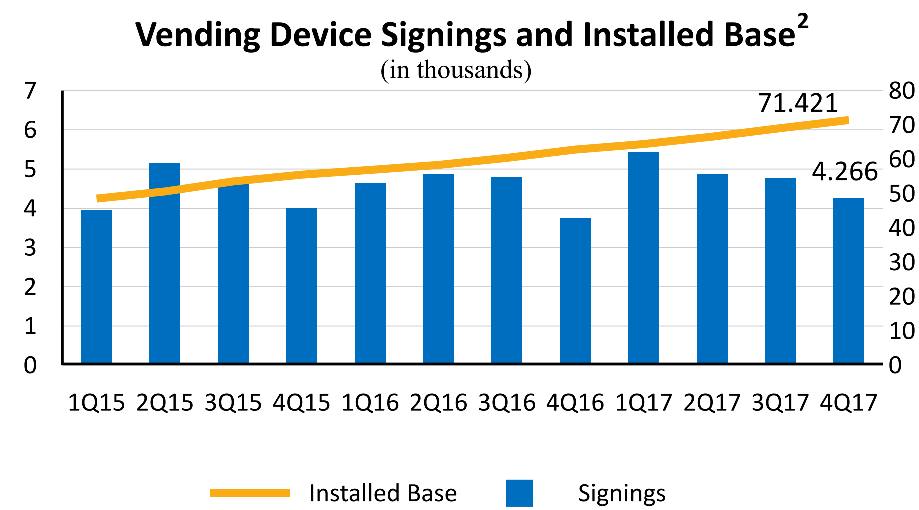




- *Pre-tax earnings growth was double digits for 4Q17 and for 2017, up 11.1% and 10.6%, respectively - a great way to celebrate 50 years in business!*
- *4Q17 EPS of $0.53 and full year 2017 EPS of $2.01 were noisy due to discrete adjustments related to the recently signed U.S. tax reform. Excluding this impact, 4Q17 EPS would have been $0.45, up 12.2% annually, and full year 2017 EPS would have been $1.92, up 11.3%.*
- *Daily sales growth is strong, with 4Q17 total and, excluding Mansco, being up 14.8% and 13.4%, respectively. Full year 2017 total daily sales rose 11.3% and, excluding Mansco, rose 10.2%.*
- *We invested to support Onsite, vending, and e-commerce even while achieving good operating expense leverage in 4Q17. We believe this momentum can be sustained in 2018.*
- *Timing of customer payments in late December masked otherwise great cash generation in 2017. Inventory growth lagged sales, pushing days on hand down.*
- *Tax reform should result in a tax rate of 24%-26% in 2018 (excluding discrete items), and positively impact cash generation.*
- *Our share price increased during 2017. We raised our 1Q18 dividend by 15.6% to maintain a meaningful dividend yield.*

4Q17 Growth Driver Update

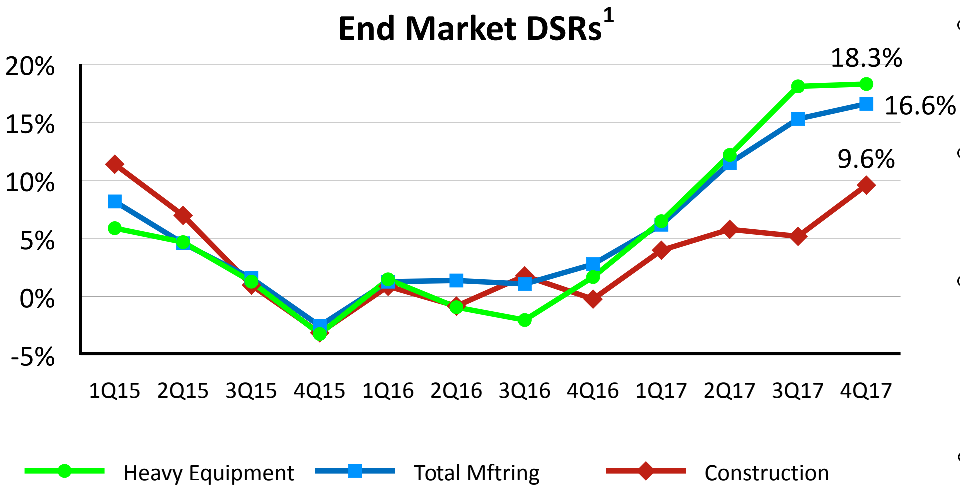


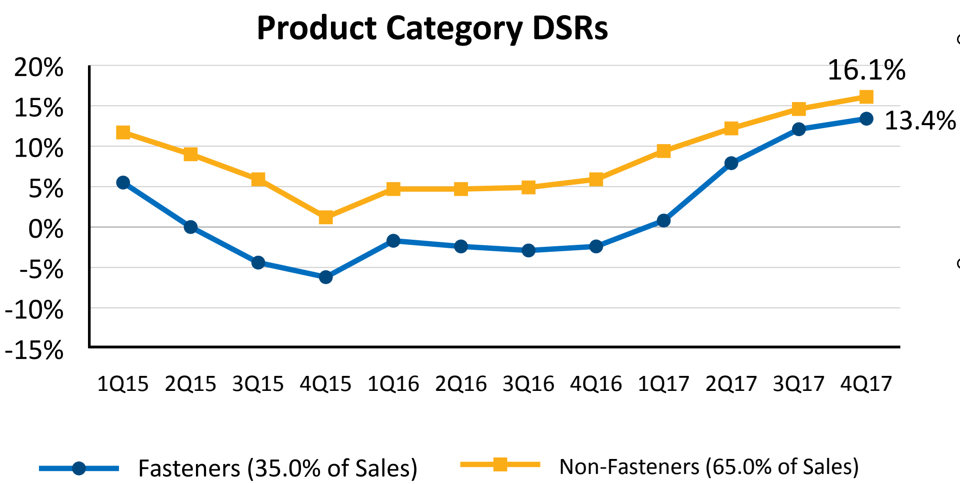


- *We signed 270 Onsites in 2017, up 53.4% from 2016. This included 57 signings in 4Q17 (vs. 43 in 4Q16). We finished 2017 with 605 active sites, up 50.9%. Our 2018 goal for Onsite signings is 360-385.*
- *Total in-market[1] locations were 2,988 at the end of 4Q17, up from 2,904 at the end of 4Q16, reflecting growing adoption of our solutions among larger customers as reflected in the higher Onsite count.*
- *We signed 19,355 vending devices in 2017, up 7.2% from 2016. This included 4,266 devices in 4Q17 (vs. 3,760 in 4Q16). Device removals declined sequentially in each of the final three quarters in 2017. Product sales through these devices grew high teens in 2017. Our 2018 goal for vending device signings is 21,000-23,000.*
- *National Accounts daily sales rose 14.5% in 2017 and 18.5% in 4Q17.*

[1]In-market locations include public branches (U.S. and ROW) plus Onsites
[2]Vending data excludes units related to our leased locker program

4Q17 Business Cadence





- *The U.S. PMI averaged 58.9 in 4Q17, vs. 53.3 in 4Q16 and 58.6 in 3Q17.*
- *U.S. Industrial Production was up 2.9% in Oct./Nov. 2017 vs. 4Q16 and up 1.3% vs. 3Q17.*
- *Manufacturing, led by heavy machinery, general industrial, energy and transportation, continues to drive growth.*
- *Construction sales accelerated, achieving double-digit growth in November and December.*
- *Fastener daily sales rose 13.4% in 4Q17 vs. 4Q16; Mansco contributed 3.9 percentage points (pps) to this growth. Non-fastener daily sales accelerated and were up 16.1% in 4Q17 vs. 4Q16.*
- *Sales at 65% of our branches grew in 4Q17, vs. 64% in 3Q17. Of our Top 100 National Accounts, 72 grew in 4Q17 consistent with 72 in 3Q17.*

[1] In July 2017, we reclassified certain end market designations. Values shown in the chart at the top of this page will differ from prior presentations.

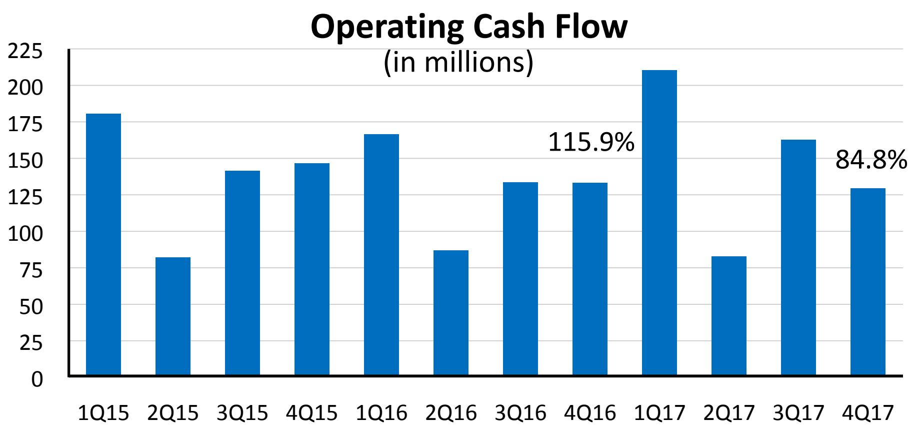
4Q17 Results Summary

Annual Rates of Change Dollar amounts in millions, except per share amounts	4Q17	4Q16	% Chg.
Net Sales	$1,088.5	$947.9	14.8%
DSR Yr./Yr. % Chg.	—	—	14.8 %
Gross Profit	$531.2	$471.9	12.6%
Gross Profit Margin	48.8%	49.8%	(97) bps
Employee-Related Exp.	—	—	15.5 %
Occupancy-Related Exp.	—	—	(1.0%)
Selling Transportation Exp.	—	—	7.4 %
Operating Income	$203.3	$182.5	11.4%
Operating Income Margin	18.7%	19.3%	(57) bps
EPS (Fully-Diluted)	$0.53	$0.40	33.5%
Onsite Signings	57	43	32.6%
Vending Device Signings	4,266	3,760	13.5%
Branch Count	2,383	2,503	(4.8%)
In-market location FTE	11,549	10,797	7.0%
Total FTE	17,519	16,265	7.7%
Operating Cash Flow	$129.3	$133.0	(2.8%)
% of Net Earnings	84.8%	115.9%	—
Capital Expenditures (Net)	$36.0	$25.6	40.6%
Dividends	$92.0	$86.7	6.1%
Dividends Per Share	$0.32	$0.30	6.7%
Share Repurchase	—	—	—
Total Debt	$415.0	$390.0	6.4%
Tot. Debt/Capital	16.5%	16.8%	(1.8%)

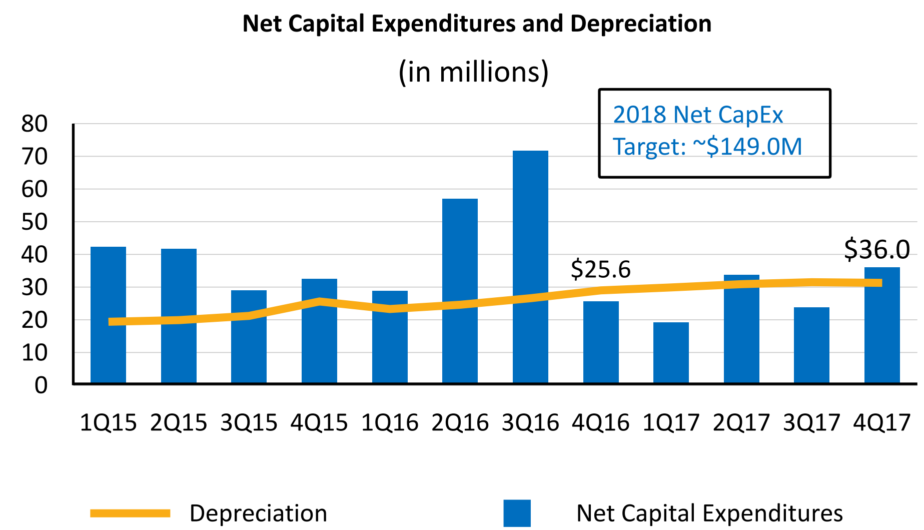
Percentage calculations may not be able to be reproduced due to rounding of dollar values.

- *Gross margin was 48.8% in 4Q17, from 49.8% in 4Q16. An unusually strong quarter in 4Q16, mix, inclusion of Mansco, and higher freight costs contributed to the margin decline.*
- *Higher freight expenses reflected greater payments to third party shippers and investments in additional assets and drivers.*
- *We began taking steps in 4Q17 to offset raw material cost inflation, and expect to see those actions impact 2018.*
- *4Q17 operating margin fell 57 bps from 4Q16 to 18.7%. This was largely from the lower gross margin, as we achieved 40 bps of operating expense leverage.*
- *Employee-related expenses grew at a slightly faster rate than sales due to a rise in total and FTE headcount of 4.8% and 7.7%, respectively, higher incentive compensation, and regulatory driven incremental compensation.*
- *We effectively leveraged occupancy costs, due largely to fewer public branches, which declined by 35 net units in 4Q17 to 2,383 locations.*

4Q17 Cash Flow Profile



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



- *Generated operating cash flow of $129.3M in 4Q17, flat versus 4Q16 and a conversion rate of 84.8%. This reflects better operating results offset by growth in accounts receivable related to stronger growth in National Accounts and international business, timing of customer payments due to the Christmas and New Year holidays, and currency translation.*
- *Inventory growth lagged sales growth in 2017, reducing days on hand by seven from 4Q16.*
- *Net capital spending in 2017 was $112.5M, off 38.5% from 2016 largely from the absence of spending on leased lockers. In 2018, we expect net capital spending of $149.0M, with the increase being largely from investments and upgrades in existing hubs and property buys for potential future hub expansion.*
- *Total debt was 16.5% of total capital in 4Q17, slightly below 3Q17 (17.8%) but consistent with 4Q16 (16.8%).*
- *We raised our dividend for 1Q18 to $0.37 from $0.32 throughout 2017, an increase of 15.6%.*

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, new tax legislation commonly referred to as the Tax Cuts and Jobs Act (the 'Act') was signed into law. The fourth quarter of 2017 and full-year 2017 results reflect the estimated impact of the enactment of the Act. Our EPS in the fourth quarter of 2017 excluding the impact of the Act and information reporting sales, excluding the impact of Mansco, included in these slides are non-GAAP financial measures. Management believes these reporting measures will help investors understand the effect of tax reform and our acquisition of Mansco on comparable reported results.

Return on Invested Capital*

Calculation of Return on Invested Capital

(Amounts in millions)	TTM 4Q17	TTM 4Q16
Operating Income	$ 881.8	795.8
(Income Tax Expense) [1]	(318.9)	(290.3)
NOPAT	$ 562.9	505.5
Total Current Assets	$ 1,828.3	1,692.8
Cash and Cash Equivalents	(114.8)	(120.9)
Accounts Payable	(128.2)	(117.4)
Accrued Expenses	(175.2)	(170.8)
Property & Equipment, Net	896.7	859.3
Other Assets	64.8	48.6
Invested Capital	$ 2,371.6	2,191.6
ROIC	**23.7%**	**23.1%**

Reconciliation of ROIC to Return on Assets (ROA)

(Amounts in millions)	TTM 4Q17	TTM 4Q16
Net Earnings[1]	$ 554.2	499.4
Total Assets	$ 2,789.7	2,600.7
ROA	**19.9%**	**19.2%**
NOPAT	$ 562.9	505.5
Add: Income Tax Expense[1]	318.9	290.3
Operating Income	881.8	795.8
Add: Interest Income	0.4	0.4
Subtract: Interest Expense	(9.1)	(6.5)
Subtract: Income Tax Expense[1]	(318.9)	(290.3)
Net Earnings[1]	**$ 554.2**	**499.4**
Invested Capital	$ 2,371.6	2,191.6
Add: Cash and Cash	114.8	120.9
Add: Accounts Payable	128.2	117.4
Add: Accrued Expenses	175.2	170.8
Total Assets	**$ 2,789.7**	**2,600.7**

[1] *4Q17 excludes discrete tax items* of $24.4 due to the Act.

** 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.
2018 BENCHMARK	(1.0%)	1.1%	3.9%	5.1%	(0.6%)	2.1%	1.9%	8.7%	(3.7%)	4.0%	1.7%	10.7%	(1.9%)	8.6%	(3.8%)	(7.1%)
2017 BENCHMARK	(1.1%)	0.9%	4.5%	5.5%	(1.0%)	1.9%	1.8%	8.4%	(3.7%)	3.8%	1.8%	10.3%	(2.4%)	7.6%	(3.7%)	(6.9%)
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%)
2017 Delta v. 2017 Benchmark	*1.3%*	*0.6%*	*(0.9%)*	*(0.4%)*	*3.1%*	*(0.5%)*	*1.0%*	*3.6%*	*1.3%*	*(1.6%)*	*2.0%*	*5.7%*	*0.3%*	*5.9%*	*(0.5%)*	*(0.2%)*
2016 DSR	0.4%	(0.8%)	1.5%	0.7%	1.7%	0.6%	(0.2%)	2.9%	(2.3%)	2.4%	1.5%	4.5%	(0.9%)	3.6%	(5.5%)	(6.6%)
2016 Delta v. 2017 Benchmark	*1.5%*	*(1.7%)*	*(3.0%)*	*(4.8%)*	*2.7%*	*(1.3%)*	*(1.9%)*	*(5.5%)*	*1.4%*	*(1.4%)*	*(0.2%)*	*(5.8%)*	*1.5%*	*(4.0%)*	*(1.8%)*	*0.3%*
2015 DSR	(3.6%)	(0.1%)	4.2%	4.0%	(2.1%)	3.4%	0.9%	6.3%	(4.3%)	4.1%	(0.9%)	5.0%	(2.0%)	2.9%	(3.0%)	(8.4%)
2015 Delta v. 2017 Benchmark	*(2.5%)*	*(1.0%)*	*(0.4%)*	*(1.5%)*	*(1.1%)*	*1.4%*	*(0.9%)*	*(2.1%)*	*(0.6%)*	*0.3%*	*(2.7%)*	*(5.3%)*	*0.4%*	*(4.7%)*	*0.7%*	*(1.5%)*
2014 DSR	(1.4%)	3.0%	7.1%	10.3%	(2.6%)	4.2%	2.5%	14.8%	(3.8%)	5.8%	1.0%	18.0%	(1.5%)	16.2%	(2.7%)	(5.9%)
2014 Delta v. 2017 Benchmark	*(0.3%)*	*2.1%*	*2.6%*	*4.8%*	*(1.6%)*	*2.3%*	*0.7%*	*6.4%*	*(0.1%)*	*2.0%*	*(0.8%)*	*7.7%*	*0.9%*	*8.6%*	*0.9%*	*1.1%*

Days Count	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	**Total**
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
2016	20	21	23	21	21	22	20	23	21	21	21	21	255
2015	21	20	22	22	20	22	22	21	21	22	20	21	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:

- Easter was in April in 2017 vs. March in 2016. This shift was a roughly 50 bps benefit to 1Q17 and a roughly 50 bps drag to 2Q17. In 2018, the Easter impact will shift back to March.
- Amounts may not foot due to rounding differences.

Employee Statistics

HEADCOUNT STATISTICS	Absolute Count 4Q17	Absolute Count 4Q16	Absolute Count Change	FTE Count 4Q17	FTE Count 4Q16	FTE Count Change
Branches/Onsites	13,424	12,966	3.5%	11,549	10,797	7.0%
Non-Branch Selling	1,711	1,575	8.6%	1,676	1,528	9.7%
Selling Personnel	15,135	14,541	4.1%	13,225	12,325	7.3%
Distribution	3,575	3,403	5.1%	2,525	2,330	8.4%
Manufacturing	652	594	9.8%	619	571	8.4%
Administrative	1,203	1,086	10.8%	1,150	1,039	10.7%
Non-Selling Personnel	5,430	5,083	6.8%	4,294	3,940	9.0%
Total Personnel	20,565	19,624	4.8%	17,519	16,265	7.7%

NOTES:

- *FTE – "Full-Time Equivalent". FTE is based on 40 hours per week.*
- *Mansco had 127 employees (120 FTE) at the end of December 2017 that were not in the other periods. Its inclusion in the figures above increased the year-over-year (4Q17 versus 4Q16) percentage change in total absolute and FTE headcount by 0.7pps each.*

Branch Statistics

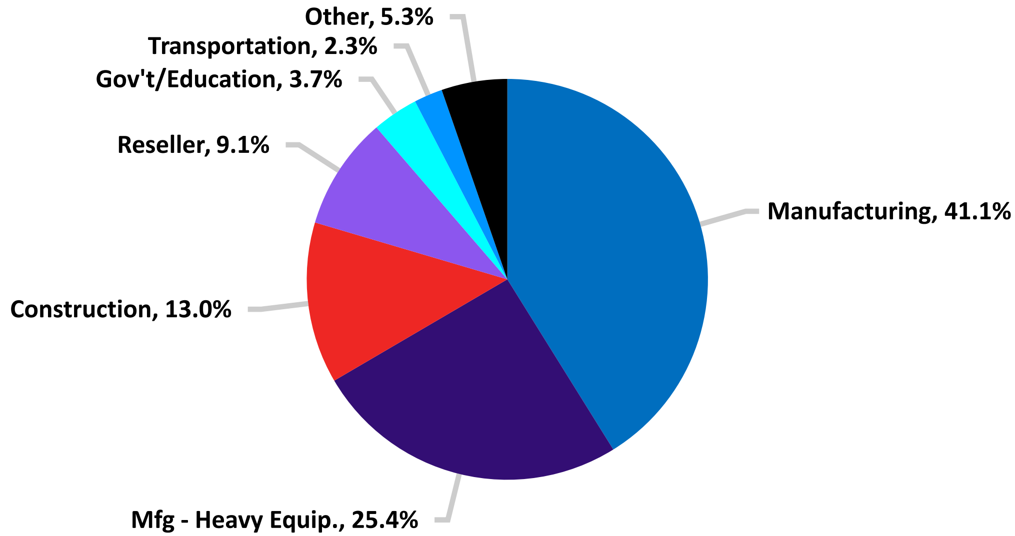
BRANCH STATISTICS	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
New Branch openings											
1Q	73	53	33	29	37	28	11	9	2	17	5
2Q	50	59	9	16	38	25	22	8	6	10	5
3Q	24	28	3	45	19	20	11	5	5	8	5
4Q	14	21	24	37	28	7	9	2	28	5	3
Cumulative	161	161	69	127	122	80	53	24	41	40	18
Closed/Converted Locations											
Closed Locations											
Closed (Curr. Quarter)	0	0	(1)	0	(11)	(6)	(2)	(41)	(9)	(65)	(37)
Closed (Annual)	(1)	(8)	(10)	(7)	(28)	(16)	(16)	(73)	(50)	(144)	(130)
Converted Locations (Annual)											
Branch-to-Customer Only	0	(2)	(1)	(1)	0	0	(2)	(2)	(6)	(16)	(8)
Customer Only-to-Branch	0	0	0	2	1	3	0	1	0	1	0
Cumulative	(1)	(10)	(11)	(6)	(27)	(13)	(18)	(74)	(56)	(159)	(138)
YEAR-END BRANCH COUNT	**2,160**	**2,311**	**2,369**	**2,490**	**2,585**	**2,652**	**2,687**	**2,637**	**2,622**	**2,503**	**2,383**

NOTES:

- *As of December 31, 2017, includes 2,083 branches in the U.S., 195 in Canada, and 105 in the rest of the world.*
- *Branch Count includes all locations that sell to multiple customer accounts (traditional branches, overseas branches, and strategic accounts branches). It excludes locations that sell to single customer accounts (strategic accounts sites and Onsite locations).*

End Market Profile

End Market Mix -- 2017



NOTES: Reclassified 2016-2017 Growth Rates for Manufacturing and Construction Sectors

MAJOR SEGMENT GROWTH (Daily Sales rates)		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Full Year
Manufacturing	2017	3.6%	6.4%	8.4%	9.2%	10.3%	14.9%	14.4%	14.6%	16.9%	15.7%	17.2%	16.2%	12.3%
(inc. Heavy Equip.)	2016	2.7%	1.8%	(0.5%)	3.9%	1.1%	(0.9%)	1.5%	(0.3%)	2.0%	3.1%	1.3%	4.2%	1.6%
Construction	2017	0.1%	4.8%	6.6%	5.8%	6.0%	5.7%	5.7%	5.0%	4.9%	6.0%	10.8%	11.9%	6.1%
	2016	2.9%	1.9%	(1.8%)	0.2%	(1.7%)	(0.9%)	1.2%	0.4%	3.4%	3.4%	(2.4%)	(1.7%)	0.4%