

## **Fastenal Hits Industrial Vending Milestone: 100,000+ Active Devices**

WINONA, Minn., June 06, 2019 – With the recent installation of three additional devices at the Pierce Manufacturing facility in Appleton, Wisconsin, Fastenal’s industrial vending program hit a major milestone: 100,000-plus active devices driving results at customer sites worldwide.

Vending is a relatively recent chapter in the Fastenal story, but it was also the prologue. When Bob Kierlin set out to start the company back in 1967, the idea was to dispense fasteners out of franchised vending machines lining the walls of unmanned retail stores (kind of like ‘automat’ restaurants, but for nuts, bolts, and screws).

It quickly became apparent that the machine design couldn’t support the sizes and volumes required by potential customers, forcing a pivot to a branch-based service model. What seemed like a setback proved to be an evolutionary step. When Fastenal revisited vending 40 years later, the company was able to leverage a nationwide branch network, a captive last-mile distribution system, and deep inventory management expertise – critical aspects of the current program’s success.

It took a few years for the program to gain traction, but it reached a turning point in the 2011–2012 timeframe, when Fastenal’s active device count increased from just over 9,000 (year-end 2011) to nearly 27,000 (year-end 2012). From there it’s been a steady upward trajectory, surpassing 55,000 active devices at the close of 2015, and 96,000 as of December 31, 2018. Meanwhile, the company’s technology lineup has expanded from a single model (the ‘FAST 5000’) to 23 specialized devices, bringing automation, visibility, and control to an ever-expanding range of products.

“Thanks to the willingness of our customers to try a new idea, the last ten years have seen vending become an important element within industrial and construction supply chains,” said Dan Florness, president and CEO of Fastenal. “We’re pleased to recognize this milestone with Pierce Manufacturing (an Oshkosh Corporation company) because they were one of our first vending partners nearly a decade ago.”

Fastenal’s 100,000 active devices can be measured in a variety of ways: by height (about 120 miles if stacked); by geography (they’re currently installed at over 20,000 customer sites spanning 25 countries); by the number of vended transactions (roughly 17,000 per hour); by the impact on other areas of the business (see safety products, the most commonly vended items, which went from just under 6% of total company sales in 2008 to more than 17% today); or by total vended sales (\$927 million in 2018 with a pace to surpass \$1 billion this year – a revenue milestone that took 37 years for Fastenal *as a company* to achieve).

But the most important measure is the impact those devices are providing for businesses. That includes improved productivity, increased visibility into product usage and spend, and a meaningful reduction in consumption, often in the range of 20 to 30%. With roughly \$4 billion in vended sales since 2008, that’s an estimated \$1.0 to \$1.7 billion in consumption savings alone for Fastenal’s vending customers.

These benefits are what motivated Pierce Manufacturing to install their first Fastenal vending device back in 2011 and to gradually implement an additional 38 units throughout the plant, including, as it turned out, the milestone 100,000<sup>th</sup> device.

“Fastenal vending services are extremely helpful in streamlining our business strategies,” said Lorien Hegner, operations manager at Pierce Manufacturing. “Benefits realized from these solutions include increased efficiencies, more inclusive product availability, and improved visibility and traceability of our expenses. Fastenal vending has truly changed the way we do business in the 21st century.”

### **About Fastenal**

Fastenal helps customers simplify and realize product and process savings across their supply chain. We sell a broad offering of products spanning more than nine major product lines – from fasteners and tools to safety and janitorial supplies. These products are efficiently distributed to manufacturing facilities, job sites, and other customer locations through local service teams and point-of-use inventory solutions, including industrial vending technology and bin stock programs (Fastenal Managed Inventory, or FMI<sup>®</sup>). Our distribution system centers on approximately 3,200 in-market locations (a combination of public branches and customer-specific Onsite locations), primarily in North America but also in Asia, Europe, and Central and South America, each providing tailored inventory, flexible service, and custom solutions to drive the unique goals of local customers. These in-market servicing locations are supported by 14 regional distribution centers, a captive logistics fleet, robust sourcing, quality and manufacturing resources, and multiple teams of industry specialists and support personnel – all working toward Fastenal’s common goal of *Growth Through Customer Service<sup>®</sup>*.

Additional information regarding Fastenal is available on the Fastenal Company website at [www.fastenal.com](http://www.fastenal.com).

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CONTACT: Ellen Stolts  
Financial Reporting & Regulatory Compliance Manager  
507.313.7282