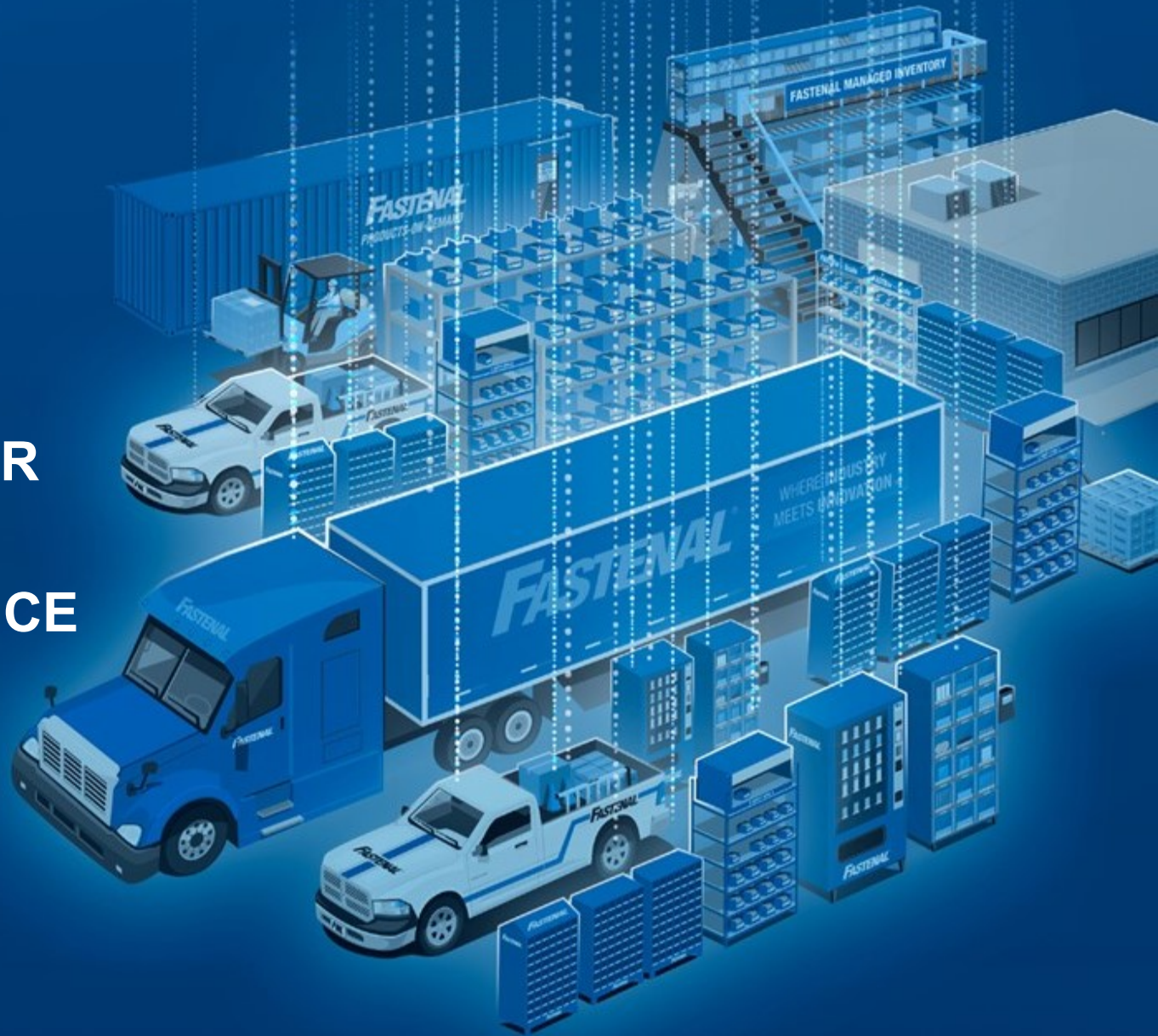


# 2025

## FIRST QUARTER INVESTOR TELECONFERENCE

APRIL 11, 2025



# 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 and operating income margin, future inventory levels, pricing, weighted FMI device signings, operating costs (including SG&A), capital expenditures, sales through our digital footprint, cash flow generation, the potential impact of our growth drivers and sales trends with customers, the imposition of tariffs and the related impact on our pricing strategy, 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 Fastenal Company's (collectively referred to as 'Fastenal' or by terms such as 'we', 'our', or 'us') 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.

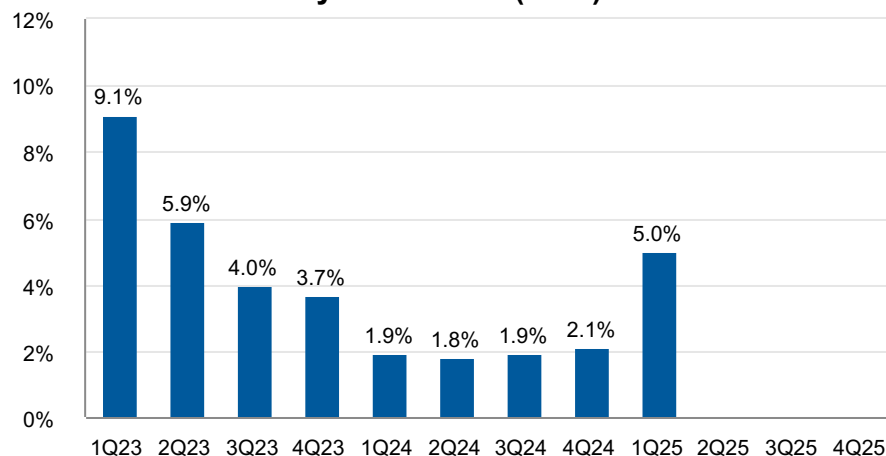
# Bob Kierlin's 10 Rules About Leadership

1. CHALLENGE rather than CONTROL.
2. Treat everyone as your equal.
3. Stay out of the spotlight.
4. Share the rewards.
5. LISTEN rather than SPEAK.
6. See the unique humanness in all persons.
7. Develop empathy.
8. Suppress your ego.
9. Let people learn.
10. Remember how little you know.

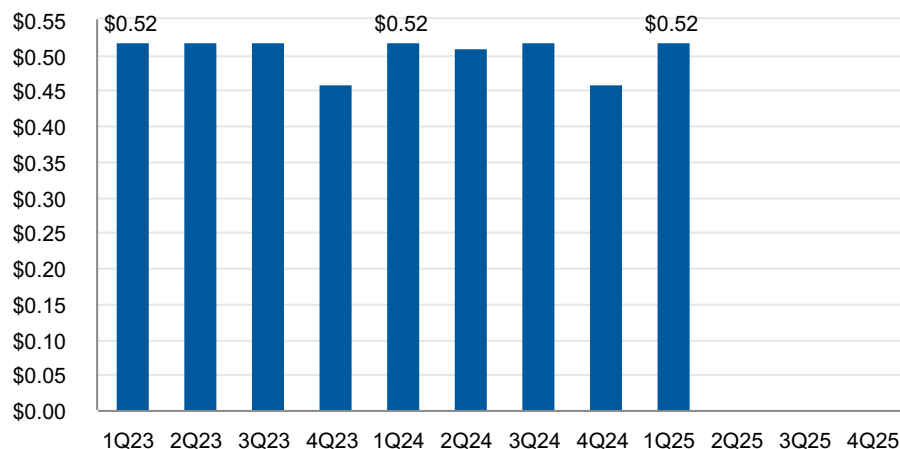


# CEO MESSAGES ON 1Q25

**Daily Sales Rate (DSR) Growth**



**Net Income Per Share**  
(Fully Diluted)

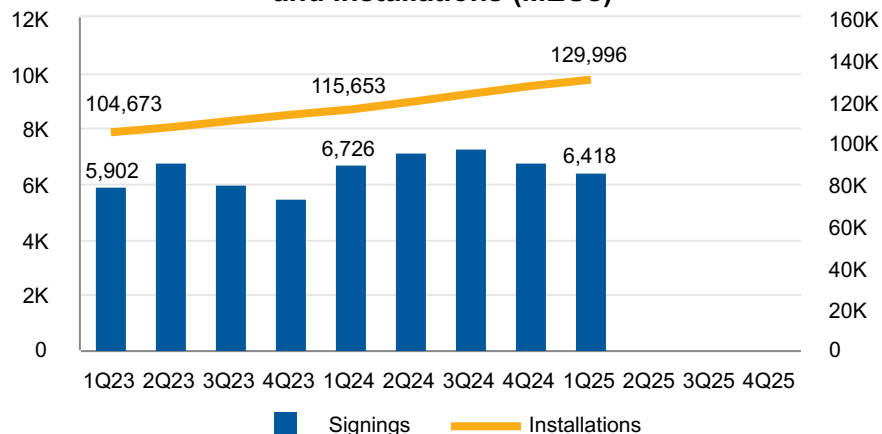


- 1Q25 net sales were +3.4%. Taking into consideration one less selling day, our daily sales increased 5.0%. While optimism is higher, business activity remains sluggish. EPS of \$0.52 was unchanged from 1Q24.
- The full quarter DSR is a good picture of the state of our business, mostly from the contribution of internal initiatives. Intra-quarter, growth acceleration is likely less dramatic than the January (+1.9%) to March (+8.3%) pace implies with the former understated by the effect of severe weather and the latter aided by the absence of Good Friday in the current year.
- We hosted our annual Customer Expo on April 8-9 in Nashville, TN. Customer attendance approximated 2024's record level, reflecting sustained strong selling energy and interest in our supply chain solutions.
- We have provided customer site information, including a three year history in our 1Q25 earnings release. This data offers insights into the number, type, and size of customers, as well as the effectiveness of our selling initiatives.
- Yesterday, we declared a \$0.44 dividend payable in 2Q25, a penny above the 1Q25 level and putting us on pace to return more than \$1B to shareholders in 2025 through dividends. Despite marketplace uncertainty, we remain confident in our ability to generate strong cash flow.

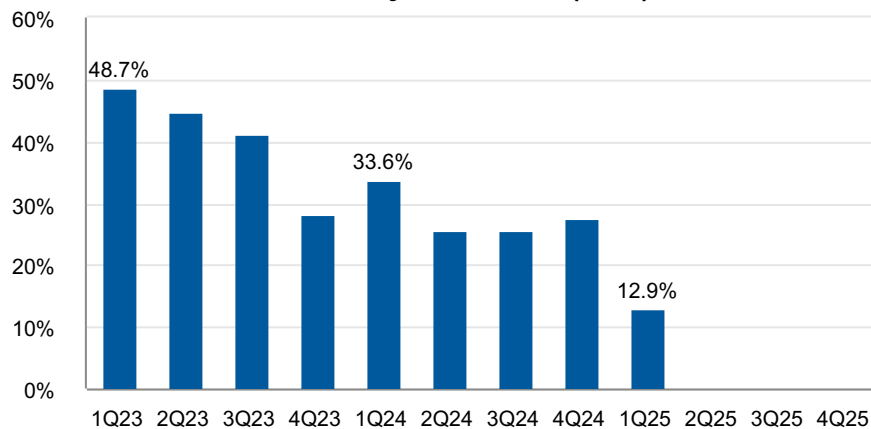


# 1Q25 SUPPLEMENTAL DATA UPDATE

**Weighted FMI Device Signings and Installations (MEUs) <sup>(1)</sup>**



**eBusiness Daily Sales Rate (DSR) Growth**



<sup>(1)</sup> Machine equivalent units (MEUs)

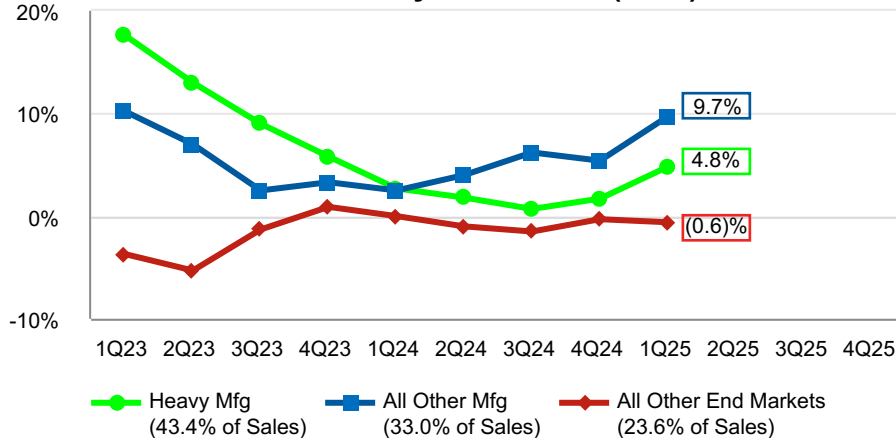
- **FMI Technology:** We signed 6,418 weighted devices (102/day) in 1Q25, versus 6,726 (105/day) in 1Q24. Our installed base was 129,996 weighted devices, +12.4% from 1Q24. Activity through our FMI technology platform represented 43.3% of sales in 1Q25, versus 41.5% and 39.4% in 1Q24 and 1Q23, respectively.

Our signings goal in 2025 remains between 28,000 to 30,000 MEUs.

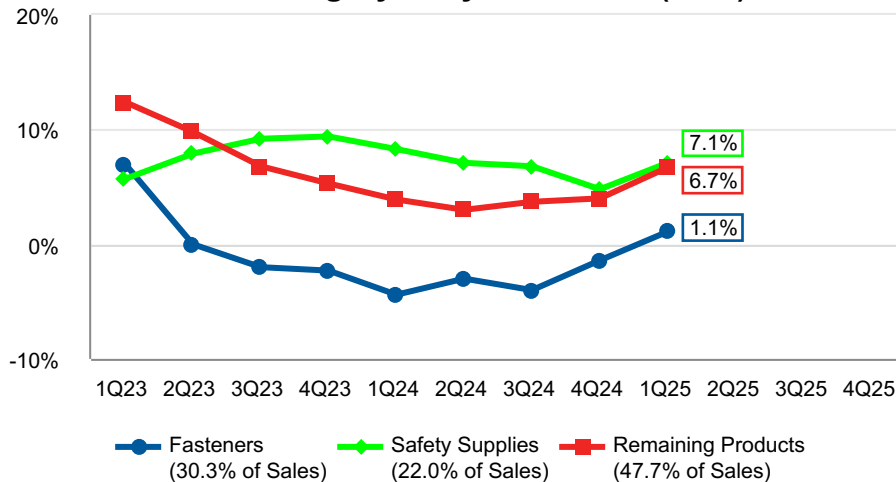
- **eBusiness:** Daily sales rose 12.9% in 1Q25. Daily sales through eProcurement and eCommerce were up 17.2% and 0.2%, respectively.
- Sales through our **Digital Footprint** (FMI technology plus non-FMI-related eBusiness) was 61.0% of total sales in 1Q25, versus 59.2% and 54.1% in 1Q24 and 1Q23, respectively. Our Digital Footprint goal in 2025 remains between 66%-68%.
- Looking at our **Customer Site** data, we had growth of 2.4% in the number of our \$10K+ sites, led by Onsite-like sites (+6.9%). These sites accounted for 80.7% of sales in 1Q25, up from 78.9% in 1Q24. We continued to shed sites in our smaller categories, though the pace slowed. Average sales per customer site rose in every category, including very slightly in our \$50K+ manufacturing sites which hadn't grown since 1Q24.

# 1Q25 BUSINESS CADENCE

**End Market Daily Sales Rate (DSR) Growth**



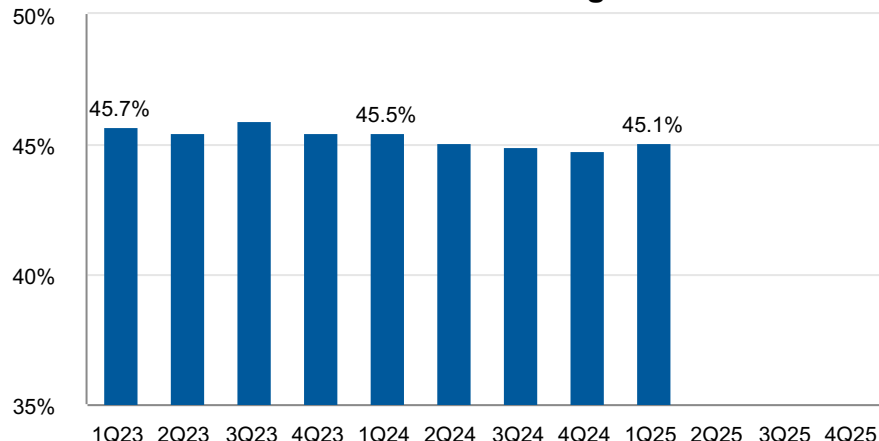
**Product Category Daily Sales Rate (DSR) Growth**



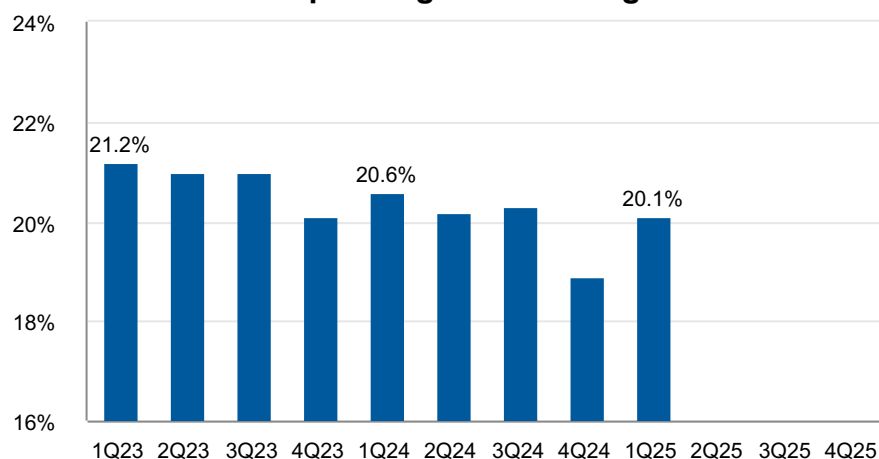
- U.S. PMI averaged 50.1 in 1Q25, though the 49.0 reading in March was disappointing. U.S. Industrial Production was +1.5% in Jan./Feb. 2025 over 1Q24. Heavier production series, like Fabricated Metal (-1.9%), Primary Metal (-0.3%), and Manufacturing (+0.3%), were relatively weaker.
- Our DSR in 1Q25 was +5.0%, and improved each month. The quarter accurately reflects our improved sales performance, but the rate of acceleration is not as dramatic as implied by our monthly DSRs. January was depressed by severe weather, while March benefited from the absence of Good Friday in March 2025.
- Regional leadership continues to believe our growth is due more to customer wins and share gains than the market, which remains subdued. Customer sentiment remains favorable, but more commentary crept into the responses about customers becoming more cautious in light of uncertainty around tariffs.
- Price contribution to growth was essentially flat in 1Q25. In April, we adjusted prices to address tariffs imposed in February and March 2025. Price contribution to growth could be 3% to 4% in 2Q25 with potential to be higher in 2H25 as a result. We expect to take further appropriate price actions should the reciprocal tariffs announced in April ultimately come into effect.

# 1Q25 MARGIN SUMMARY

## Gross Profit Margin



## Operating Income Margin

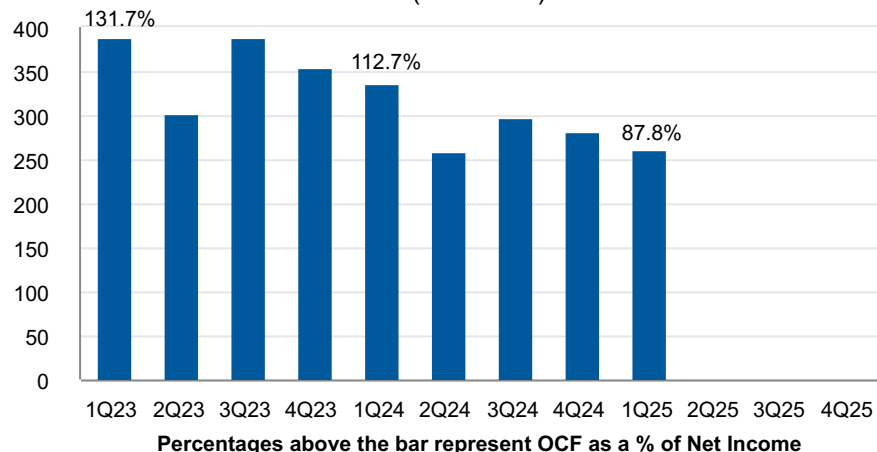


- 1Q25 operating margin was 20.1%, down from 20.6% in 1Q24. Our inability to leverage was adversely impacted by the presence of one fewer selling day in 1Q25 versus 1Q24, as well as net sales growth of 3.4%.
- Gross margin declined to 45.1% from 45.5% in 1Q24 on customer/product mix and higher fleet/freight costs, with offsets related to increased supplier spend and incentives. We continue to expect a narrower gap to the full year based on easier comparisons and benefits from our inventory investments in the back half of 2025. The degree to which the gap narrows will also depend on the pace of improvement in demand and its impact on product mix.
- Price/cost was largely neutral, not materially affecting gross margin in 1Q25. We believe our processes and systems are sufficiently robust to sustain price/cost neutrality and defend our gross margin percentage in an environment of higher tariffs.
- SG&A costs were 25.0% of sales compared to 24.9% in 1Q24. This was affected by the loss of a selling day versus 1Q24, without which we believe we could have achieved modest leverage. Every major cost category leveraged or de-leveraged only modestly. As a result, we believe we are effectively managing costs even as we continue to invest strategically in growth.

# 1Q25 CASH FLOW PROFILE

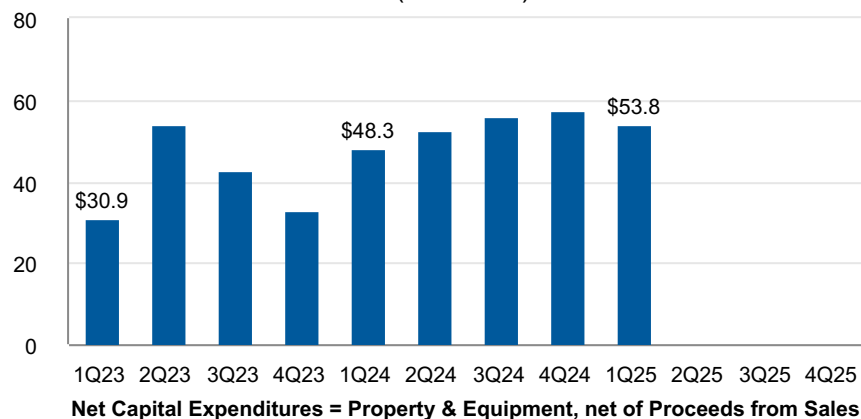
## Operating Cash Flow (OCF)

(in millions)



## Net Capital Expenditures

(in millions)



2025(E) Net CapEx: \$265.0 to \$285.0; 2024(A) Net CapEx: \$214.1

- 1Q25 OCF was \$262.2, or 87.8% of net income, below 1Q24 (112.7%). Cash generation was below traditional first quarter levels (five-year average of 115.8%) due to increased investment in working capital.
- Accounts receivable** rose 5.4% from 1Q24 to support customer growth and from a continued shift in our sales mix toward larger customers, who tend to carry longer terms. **Inventory** rose 11.9% from 1Q24, reflecting additions to support projected overall growth, tariffs, growth with certain customers, and the fastener and optimal package quantity initiatives. **Accounts payable** rose 23.6% from 1Q24 reflecting our inventory growth.
- Net capital spending was \$53.8 in 1Q25 vs. \$48.3 in 1Q24. Spend increases related to FMI hardware, facility and construction upgrades, and information technology (IT). Our 2025 net capital spending range remains between \$265.0 to \$285.0, an increase from 2024 in higher IT spending, investments in hub capacity and facility picking capabilities, and FMI device purchases.
- We returned \$246.7 of capital to shareholders through dividends in 1Q25 versus \$223.2 in 1Q24. With the increase of our quarterly dividend in 2Q25 to \$0.44, we are on pace to exceed \$1B in dividend payout in 2025.



# 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. ROIC is a measure of performance not defined by accounting principles generally accepted in the United States, and should be considered in addition to, not in lieu of, GAAP reported measures.

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.

# RETURN ON INVESTED CAPITAL\*

## Calculation of Return on Invested Capital (ROIC)

(Amounts in millions)		TTM 1Q25	TTM 1Q24
Operating Income	\$	1,513.7	1,525.7
Income Tax Expense		(359.8)	(364.5)
Net Operating Profit After Tax (NOPAT)	\$	1,153.9	1,161.2
<hr/>			
Total Current Assets	\$	3,220.8	3,122.5
Cash and Cash Equivalents		(234.5)	(238.5)
Accounts Payable		(308.6)	(271.4)
Accrued Expenses		(211.6)	(218.4)
Property & Equipment, Net		1,044.4	1,008.3
Other Assets		436.7	424.1
Invested Capital	\$	3,947.2	3,826.6
<hr/>			
<b>ROIC</b>		<b>29.2%</b>	<b>30.3%</b>

## Reconciliation of ROIC to Return on Assets (ROA)

(Amounts in millions)		TTM 1Q25	TTM 1Q24
Net Income	\$	1,151.6	1,157.6
Total Assets	\$	4,701.8	4,554.9
<b>ROA</b>		<b>24.5%</b>	<b>25.4%</b>
<hr/>			
NOPAT	\$	1,153.9	1,161.2
Add: Income Tax Expense		359.8	364.5
Operating Income		1,513.7	1,525.7
Add: Interest Income		4.7	5.3
Subtract: Interest Expense		(7.0)	(8.9)
Subtract: Income Tax Expense		(359.8)	(364.5)
<b>Net Income</b>	<b>\$</b>	<b>1,151.6</b>	<b>1,157.6</b>
<hr/>			
Invested Capital	\$	3,947.2	3,826.6
Add: Cash and Cash Equivalents		234.5	238.5
Add: Accounts Payable		308.6	271.4
Add: Accrued Expenses		211.6	218.4
<b>Total Assets</b>	<b>\$</b>	<b>4,701.8</b>	<b>4,554.9</b>

\* Amounts may not foot due to rounding differences.

# CUSTOMER SITE PERFORMANCE

	1Q25			1Q24		
	Customer Sites (#) <sup>(1) (2)</sup>	Sales	Mo. Sales per Customer Site <sup>(3)</sup>	Customer Sites (#) <sup>(1) (2)</sup>	Sales	Mo. Sales per Customer Site <sup>(3)</sup>
<b>Manufacturing</b>						
\$50K+/Mo. <sup>(4)</sup>	2,114	\$ 874.0	\$ 137,811	1,987	\$ 819.2	\$ 137,427
\$10K+/Mo.	8,500	1,293.1	50,710	8,263	1,230.0	49,619
\$5K-\$10K/Mo.	4,451	95.5	7,152	4,448	95.3	7,142
<\$5K/Mo.	30,308	101.7	1,119	31,999	104.7	1,091
Other sales <sup>(5)</sup>	—	2.7	—	—	11.1	—
Total manufacturing sales	43,259	\$ 1,493.0	\$ 11,484	44,710	\$ 1,441.1	\$ 10,661
<b>Non-manufacturing</b>						
\$50K+/Mo. <sup>(4)</sup>	388	\$ 136.6	\$ 117,354	353	\$ 116.0	\$ 109,537
\$10K+/Mo.	2,918	288.5	32,956	2,890	265.7	30,646
\$5K-\$10K/Mo.	2,749	58.2	7,057	2,888	60.8	7,018
<\$5K/Mo.	52,118	109.7	702	59,156	116.3	655
Other sales <sup>(5)</sup>	—	10.0	—	—	11.2	—
Total non-manufacturing sales	57,785	\$ 466.4	\$ 2,633	64,934	\$ 454.0	\$ 2,273
<b>Total</b>						
\$50K+/Mo. <sup>(4)</sup>	2,502	\$ 1,010.6	\$ 134,639	2,340	\$ 935.1	\$ 133,205
\$10K+/Mo.	11,418	1,581.6	46,173	11,153	1,495.7	44,702
\$5K-\$10K/Mo.	7,200	153.8	7,120	7,336	156.2	7,097
<\$5K/Mo.	82,426	211.4	855	91,155	221.0	808
Other sales <sup>(5)</sup>	—	12.6	—	—	22.2	—
Total net sales	101,044	\$ 1,959.4	\$ 6,422	109,644	\$ 1,895.1	\$ 5,694

(1) Customer sites represent the number of customer locations served by our in-market network. Individual customers with multiple locations across multiple in-market locations will have multiple customer sites.

(2) Customer sites are an average of the number of customer sites calculated each month.

(3) Monthly sales per customer site totals do not include the sales from other sales lines, as there is no customer site count associated with it. This column is not rounded to the millions and represents the exact dollar amount.

(4) \$50K+ customer sites are disclosed as a representation of Onsite-like customers and are also a subset of \$10K+ customer sites.

(5) Other sales represent impacts to sales that are not tied to a specific site or in-market location. This includes certain service fees, cash sales, direct product sales, etc.

# 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.
<b>BENCHMARK**</b>	0.2%	1.3%	2.9%	4.2%	(1.5%)	2.7%	0.9%	6.4%	(3.5%)	2.5%	4.0%	9.5%	(2.2%)	7.1%	(2.6%)	(6.9%)
2025 DSR	(1.6%)	5.8%	3.3%	9.2%												
Delta v. Benchmark	(1.8%)	4.5%	0.4%	5.0%												
2024 DSR	(0.7%)	2.7%	0.2%	2.8%	(1.3%)	1.5%	1.6%	4.6%	(5.3%)	3.0%	5.1%	7.2%	(3.4%)	3.6%	(1.9%)	(8.4%)
Delta v. Benchmark	(0.9%)	1.4%	(2.7%)	(1.4%)	0.1%	(1.2%)	0.7%	(1.8%)	(1.8%)	0.4%	1.2%	(2.3%)	(1.2%)	(3.5%)	0.7%	(1.5%)
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%	(3.0%)	2.3%	(2.5%)	(5.3%)
Delta v. Benchmark	(0.6%)	0.3%	(1.9%)	(1.6%)	1.2%	(2.0%)	(1.1%)	(3.5%)	0.8%	(1.2%)	0.0%	(3.9%)	(0.8%)	(4.8%)	0.1%	1.6%
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%	1.8%	0.7%	2.6%	0.3%	0.5%	(0.7%)	2.8%	1.9%	(1.2%)	(1.3%)	2.4%	2.1%	4.6%	(1.6%)	0.3%

Days Count													Total			
2026	21	20	22		22	20	22		22	21	21		22	20	21	254
2025	22	20	21		22	21	21		22	21	21		23	19	21	254
2024	22	21	21		22	22	20		22	22	20		23	20	20	255

\* 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 excludes 2020.

## Notes:

- Good Friday was in April of 2022 and 2023, March of 2024, and April of 2025. In 2026, Good Friday will be in April.
- Amounts may not foot due to rounding differences.

# EMPLOYEE STATISTICS

HEADCOUNT STATISTICS	Absolute Count					FTE Count <sup>(1)</sup>				
	1Q25	4Q24 <sup>(2)</sup>	Change Since 4Q24	1Q24 <sup>(2)</sup>	Change Since 1Q24	1Q25	4Q24 <sup>(2)</sup>	Change Since 4Q24	1Q24 <sup>(2)</sup>	Change Since 1Q24
Selling personnel <sup>(3)</sup>	16,995	16,669	2.0%	16,726	1.6%	15,236	15,014	1.5%	15,064	1.1%
Distribution/Transportation personnel	4,058	3,953	2.7%	3,960	2.5%	3,111	2,997	3.8%	3,013	3.3%
Manufacturing personnel	1,036	1,010	2.6%	977	6.0%	957	936	2.2%	888	7.8%
Organizational support personnel <sup>(4)</sup>	2,092	2,070	1.1%	2,032	3.0%	2,035	2,011	1.2%	1,970	3.3%
Total personnel	24,181	23,702	2.0%	23,695	2.1%	21,339	20,958	1.8%	20,935	1.9%

## NOTES:

<sup>(1)</sup> FTE – "Full-Time Equivalent". FTE is based on 40 hours per week.

<sup>(2)</sup> In the fourth quarter of 2024, we realigned certain employees as a result of a routine review of our organizational structure. While there is no change to total absolute or total FTE headcount, it produces minor shifts between headcount categories. Historical numbers have been adjusted to reflect this realignment.

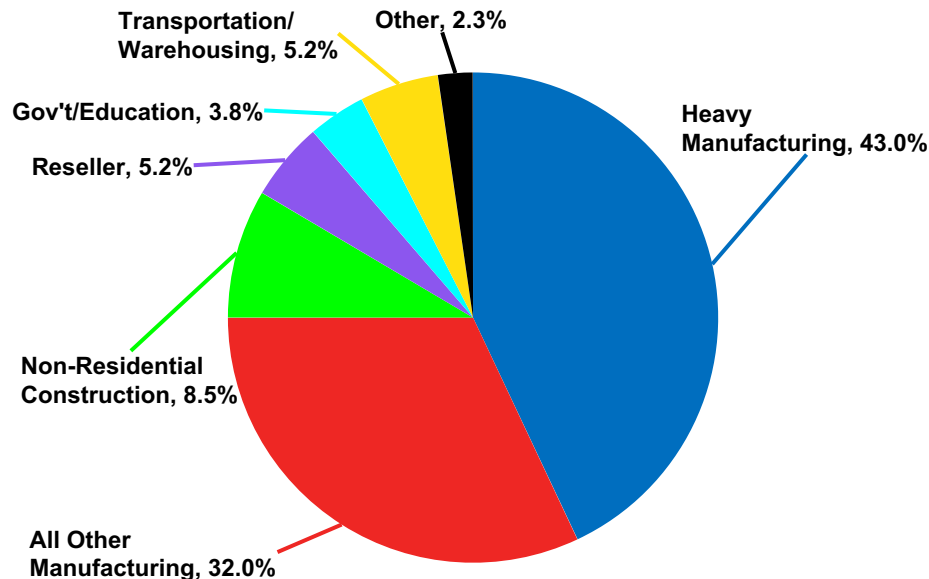
<sup>(3)</sup> Of our Selling Personnel, 80%-85% are attached to a specific in-market location.

<sup>(4)</sup> Organizational support personnel consists of: (1) Sales Support personnel (37% to 42% of category), which includes sourcing, purchasing, supply chain, product development, etc.; (2) IT personnel (35% to 40% of category); and (3) Administrative Support personnel (22% to 27% of category), which includes human resources, Fastenal School of Business, accounting and finance, senior management, etc.



# END MARKET PROFILE

End Market Mix - Full Year 2024



MAJOR SEGMENT GROWTH (Daily Sales Rates)																	
		Jan.	Feb.	Mar.	Year-to-date	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Full Year		
Heavy	2025	1.8%	4.8%	7.9%	4.8%												
Manufacturing	2024	3.3%	3.1%	2.0%	2.7%	1.9%	1.5%	2.2%	(1.0%)	2.3%	1.0%	3.1%	4.1%	(2.6%)	1.7%		
All Other	2025	6.7%	10.4%	12.0%	9.7%												
Manufacturing	2024	0.7%	3.6%	3.4%	2.5%	2.2%	2.9%	7.1%	4.5%	6.6%	7.5%	4.9%	7.1%	4.4%	4.5%		
All Other	2025	(3.7%)	(1.0%)	3.0%	(0.6%)												
End Markets	2024	(0.5%)	0.9%	(0.2%)	0.0%	(2.9%)	(0.3%)	0.3%	(2.9%)	(3.2%)	2.1%	0.2%	(1.0%)	(0.2%)	(0.7%)		

***FASTENAL***  
**THANK YOU**

