

DEARBORN PARTNERS

Another Dearborn Partners Core Rising Dividend SMA Portfolio Increase: Fastenal Company

On January 18, 2023, Fastenal Company announced a 12.9% increase in its quarterly dividend per share to \$0.35 (\$1.40 annually) from \$0.31 (\$1.24 annually). The cash dividend will be paid on March 2, 2023 to holders of record as of February 2, 2023. This is the 24th consecutive annual increase in the dividend paid by Fastenal Company.

From the press release:

Fastenal began paying annual dividends in 1991, semi-annual dividends in 2003, and then expanded to quarterly dividends in 2011. In addition to these regular dividend payments, Fastenal has previously paid special one-time dividends in December 2008, December 2012, and December 2020. Our board of directors currently intends to continue paying quarterly dividends, though all future determination as to payment of dividends will depend upon the financial condition and results of operations of the company and such other factors as are deemed relevant by the board of directors, such as income tax rates related to dividends at that time.

Fastenal provides a broad offering of industrial supplies, including fastener, safety, and metal cutting products, to manufacturing, construction, and state and local government customers through approximately 3,300 in-market locations (branches and customer-specific Onsite locations) spanning 25 countries. With continual investment in tailored local inventory, dedicated local experts, and flexible FMI[®] (Fastenal Managed Inventory) and digital solutions, we help our business partners achieve product and process savings across the supply chain – a “high-touch, high-tech” approach encapsulated by our tagline, **Where Industry Meets Innovation**[™]. Our local service teams are supported by 16 regional distribution centers, a captive logistics fleet, multiple teams of industry specialists and support personnel, and robust sourcing, quality, and manufacturing resources, enabling us to grow by getting closer to customers and providing innovative and comprehensive solutions to customer supply chain challenges.

Fastenal Company is in the Industrials sector of our Dearborn Partners Core Rising Dividend separately managed account (SMA) portfolio. So far this year, 1 of 49 companies in our Core Rising Dividend portfolio has announced 1 dividend increase averaging about 12.9% more than the company paid a year earlier. No companies in this portfolio have reduced or suspended dividends so far this year.

Thank you for your continued interest in our Dearborn Partners Rising Dividend Strategy.

This dividend increase announcement is not a complete description of, nor a recommendation to invest in, any investment strategy (the “Strategy”) mentioned herein. It is for informational purposes only and does not constitute an offer to sell nor a solicitation to buy, is not a recommendation regarding any securities transaction, nor is it an offer to provide advisory or other services by Dearborn Partners, L.L.C. The information contained in this writing should not be construed as financial or investment advice on any subject matter. Past performance is no guarantee of future results. There is no assurance the Strategy will be profitable, achieve its objectives, be suitable for you, or not incur losses. Some of the information herein has been obtained from third party sources. We believe such information is reliable but we have not in

DEARBORN PARTNERS

each case verified its accuracy or completeness. Any opinions herein are as of the date of this report and are subject to change without notice. Dividends are not guaranteed and must be authorized by the company's board of directors. There is no assurance that any Rising Dividend portfolio company will increase its dividend, or not reduce its dividend, or not have a significant decrease in its stock price. Dividend yield is one component of performance and should not be the only consideration for investment. Dearborn Partners L.L.C. is an investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. For a complete list of all Dearborn Rising Dividend holdings that in the past year - increased their dividends, had no dividend increases, or had a dividend decrease, please contact the Dearborn Rising Dividend Team at RD@dearbornpartners.com. It should not be assumed that portfolio trades made in the future will be profitable, or will increase their dividends, or will equal the performance of the securities in this announcement.