

Accountancy

Financial Statement Analysis of Fastenal Company

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Abstract

This statement analysis focuses on Fastenal Company during the 2011 to 2015 time period. The purpose of the analysis is to examine the financial statements, discover where the numbers came from, and why any changes occurred. Selected financial ratios have been used to evaluate and compare Fastenal with a key competitor and the Industry. Common size percentages have also been used to allow greater comparability without relying on actual dollar figures. Fastenal's Net Sales increased 40% from 2011 to 2015 and its Net Profit Margin averaged 13.3% during that time. The growth in sales was the result of significant investments in property and equipment. These investments focused on industrial vending machines, automation distribution, and store locations. Fastenal's profitability has allowed it to return a significant portion of profits to its shareholders in the forms of quarterly dividends and stock repurchases. Fastenal's strategy from 2011 to 2015 evolved to meet the demands of the Industry as well as public markets. The period from 2011 to 2013 focused more on growth through property and equipment. The period from 2013 to 2015 sought to increase efficiency and enhance shareholder value through stock repurchases and store consolidations.