
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of Earliest Event Reported): February 9, 2016

FORRESTER RESEARCH, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-21433
(Commission
File Number)

04-2797789
(I.R.S. Employer
Identification Number)

60 Acorn Park Drive
Cambridge, Massachusetts 02140
(Address of principal executive offices, including zip code)

(617) 613-6000
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changes since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The information contained in this current report on Form 8-K is furnished pursuant to Item 2.02 of Form 8-K “Results of Operations and Financial Condition”. This information and the exhibits hereto are being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of, or otherwise regarded as filed under, the Securities Exchange Act of 1934, as amended. The information contained in this report shall not be incorporated by reference into any filing of Forrester Research, Inc. with the SEC, whether made before or after the date hereof, regardless of any general incorporation language in such filings.

On February 10, 2016, Forrester Research, Inc. issued a press release announcing its financial results for the quarter and year ended December 31, 2015.

Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester’s ongoing business. Forrester uses pro forma financial information to manage its business, including use of pro forma financial results as the basis for setting targets for various compensation programs. Our pro forma presentation excludes the following, as well as their related tax effects:

Amortization of intangibles—we exclude the effect of the amortization of intangibles from our pro forma results in order to more consistently present our ongoing results of operations.

Gains and losses from investments—we have consistently excluded both gains and losses related to our investments in non-marketable securities and sales of marketable securities from our pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Stock-based compensation expense—we exclude stock-based compensation from our pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Reorganization costs associated with the Company’s reductions in force are not included in our pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

However, these measures should be considered in addition to, not as a substitute for, or superior to, operating income or other measures of financial performance prepared in accordance with generally accepted accounting principles as more fully discussed in our financial statements and filings with the Securities and Exchange Commission.

ITEM 8.01 Other Events.

On February 10, 2016, the Company also announced that its Board of Directors has approved an increase to its regular quarterly cash dividend to \$0.18 per share, to be paid on March 16, 2016 to shareholders of record on March 2, 2016.

(d) Exhibits

99.1 Press Release dated February 10, 2016 with respect to financial results for the quarter and year ended December 31, 2015 and the approval of an increase in the Company's quarterly cash dividend.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FORRESTER RESEARCH, INC.

By /s/ Michael A. Doyle

Name: Michael A. Doyle

Title: Chief Financial Officer and Treasurer

Date: February 10, 2016

Exhibit Index

<u>Exhibit</u>	<u>Description</u>	<u>Page</u>
99.1	Press Release dated February 10, 2016	xx

FOR IMMEDIATE RELEASE

Forrester Research Reports 2015 Fourth-Quarter And Full-Year Financial Results

Cambridge, Mass., February 10, 2016 . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its 2015 fourth-quarter and full-year financial results.

Fourth-Quarter Financial Performance

Total revenues were \$81.0 million for the fourth quarter of 2015, compared with \$80.7 million for the fourth quarter of 2014. Research revenues were flat, and advisory services and events revenues increased 2%, compared with the fourth quarter of 2014. On a constant-currency basis, research revenues increased 2%, and advisory services and events revenues increased 4%, compared with the fourth quarter of 2014.

On a GAAP basis, net income was \$2.0 million, or \$0.11 per diluted share, for the fourth quarter of 2015, compared with net income of \$3.6 million, or \$0.19 per diluted share, for the same period in 2014.

On a pro forma basis, net income was \$4.3 million, or \$0.24 per diluted share, for the fourth quarter of 2015, which reflects a pro forma effective tax rate of 38%. Pro forma net income excludes stock-based compensation of \$2.5 million, amortization of acquisition-related intangible assets of \$0.2 million, and net investment losses of \$0.3 million. This compares with pro forma net income of \$5.7 million, or \$0.31 per diluted share, for the same period in 2014, which reflects a pro forma tax rate of 38%. Pro forma net income for the fourth quarter of 2014 excludes stock-based compensation of \$2.3 million, amortization of acquisition-related intangible assets of \$0.6 million, and net investment losses of \$0.3 million.

“Forrester met revenue and operating income guidance for the quarter and exceeded EPS guidance for the fourth quarter and full year 2015,” said George F. Colony, Forrester’s chairman and chief executive officer. “Companies are more aggressively investing in customer-obsessed strategies, a dynamic that plays to our unique value in the market. While we still have work to do, our strategy is working, and we have good momentum going into 2016.”

Year Ended December 31, 2015, Financial Performance

Total revenues were \$313.7 million, compared with \$312.1 million for the same period in 2014. Research revenues increased 1%, and advisory services and events revenues decreased 1%, compared with 2014. On a constant-currency basis, research revenues increased 5%, and advisory services and events revenues increased 2%, compared with 2014.

On a GAAP basis, net income was \$12.0 million, or \$0.66 per diluted share, for 2015, compared with net income of \$10.9 million, or \$0.57 per diluted share, for 2014.

On a pro forma basis, net income was \$20.5 million, or \$1.13 per diluted share, for 2015, which reflects a pro forma effective tax rate of 38%. Pro forma net income excludes stock-based compensation of \$8.3 million, amortization of acquisition-related intangible assets of \$0.9 million, and reorganization costs of \$4.4 million. This compares with pro forma net income of \$18.7 million, or \$0.98 per diluted share, for 2014, which reflects a pro forma tax rate of 38%. Pro forma net income for 2014 excludes stock-based compensation of \$7.4 million, amortization of acquisition-related intangible assets of \$2.2 million, reorganization costs of \$1.8 million, and net investment losses of \$0.3 million.

A reconciliation of GAAP results to pro forma results may be found in the attached financial tables.

2016 Guidance

Forrester is providing first-quarter 2016 financial guidance as follows:

First-Quarter 2016 (GAAP):

- Total revenues of approximately \$75.0 million to \$78.0 million.
- Operating margin of approximately 2.5% to 4.5%.
- Other income, net of zero.
- An effective tax rate of 40%.
- Diluted earnings per share of approximately \$0.08 to \$0.12.

First-Quarter 2016 (Pro Forma):

Pro forma financial guidance for the first quarter of 2016 excludes stock-based compensation expense of \$2.3 million to \$2.5 million, amortization of acquisition-related intangible assets of approximately \$0.2 million, and any investment gains or losses.

- Pro forma operating margin of approximately 6.0% to 8.0%.
- Pro forma effective tax rate of 40%.
- Pro forma diluted earnings per share of approximately \$0.16 to \$0.20.

Our full-year 2016 guidance is as follows:

Full-Year 2016 (GAAP):

- Total revenues of approximately \$322.0 million to \$330.0 million.
- Operating margin of approximately 7.5% to 8.5%.
- Other income, net of zero.
- An effective tax rate of 40%.
- Diluted earnings per share of approximately \$0.83 to \$0.90.

Full-Year 2016 (Pro Forma):

Pro forma financial guidance for full-year 2016 excludes stock-based compensation expense of \$8.7 million to \$9.2 million, amortization of acquisition-related intangible assets of approximately \$0.9 million, and any investment gains or losses.

- Pro forma operating margin of approximately 10.5% to 11.5%.
- Pro forma effective tax rate of 40%.
- Pro forma diluted earnings per share of approximately \$1.15 to \$1.22.

Quarterly Dividend

Forrester is announcing today that its board of directors has authorized a 6% increase to its regularly quarterly dividend from \$0.17 per share to \$0.18 per share. The next dividend of \$0.18 per share is payable March 16, 2016, to shareholders of record on March 2, 2016.

About Forrester Research

Forrester Research is one of the most influential research and advisory firms in the world. We work with business and technology leaders to develop customer-obsessed strategies that drive growth. Forrester's unique insights are grounded in annual surveys of more than 500,000 consumers and business leaders worldwide, rigorous and objective methodologies, and the shared wisdom of our most innovative clients. Through proprietary research, data, custom consulting, exclusive executive peer groups, and events, the Forrester experience is about a singular and powerful purpose: to challenge the thinking of our clients to help them lead change in their organizations. For more information, visit forrester.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, Forrester's financial guidance for the first quarter of and full-year 2016, statements about the success of operational improvements, and statements about Forrester's future financial performance and financial condition. These statements are based on Forrester's current plans and expectations and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual future activities and results to differ include, among others, Forrester's ability to retain and enrich memberships for its research products and services, demand for advisory and consulting services, technology spending, Forrester's ability to respond to business and economic conditions and market trends, Forrester's ability to develop and offer new products and services, the risks and challenges inherent in international business activities, competition and industry consolidation, the ability to attract and retain professional staff, Forrester's dependence on key personnel, Forrester's ability to realize the anticipated benefits from recent internal reorganizations, the possibility of network disruptions and security breaches, Forrester's ability to enforce and protect its intellectual

property, and possible variations in Forrester's quarterly operating results. Dividend declarations are at the discretion of Forrester's board of directors, and plans for future dividends may be revised by the board at any time. Forrester undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. For further information, please refer to Forrester's reports and filings with the Securities and Exchange Commission.

The consolidated statements of income and the table of key financial data are attached.

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Forrester Research, Inc.
Consolidated Statements of Income

(Unaudited, In thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2015	2014	2015	2014
Revenues:				
Research services	\$53,601	\$53,780	\$210,268	\$207,517
Advisory services and events	27,374	26,901	103,458	104,545
Total revenues	80,975	80,681	313,726	312,062
Operating expenses:				
Cost of services and fulfillment	33,718	33,056	126,261	126,199
Selling and marketing	30,509	29,563	116,081	115,753
General and administrative	10,477	9,219	39,041	38,584
Depreciation	1,941	2,089	8,192	9,325
Amortization of intangible assets	222	566	891	2,171
Reorganization costs	—	—	4,433	1,817
Total operating expenses	76,867	74,493	294,899	293,849
Income from operations	4,108	6,188	18,827	18,213
Other income, net	169	217	511	464
Losses on investments, net	(254)	(263)	(18)	(288)
Income before income taxes	4,023	6,142	19,320	18,389
Income tax provision	2,003	2,543	7,324	7,524
Net income	\$ 2,020	\$ 3,599	\$ 11,996	\$ 10,865
Diluted income per common share	<u>\$ 0.11</u>	<u>\$ 0.19</u>	<u>\$ 0.66</u>	<u>\$ 0.57</u>
Diluted weighted average shares outstanding	<u>17,879</u>	<u>18,520</u>	<u>18,143</u>	<u>19,007</u>
Basic income per common share	<u>\$ 0.11</u>	<u>\$ 0.20</u>	<u>\$ 0.67</u>	<u>\$ 0.58</u>
Basic weighted average shares outstanding	<u>17,750</u>	<u>18,195</u>	<u>17,927</u>	<u>18,713</u>
Pro forma data (1):				
Income from operations	\$ 4,108	\$ 6,188	\$ 18,827	\$ 18,213
Amortization of intangible assets	222	566	891	2,171
Reorganization costs	—	—	4,433	1,817
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	1,355	1,311	4,573	4,316
Selling and marketing	398	365	1,152	1,132
General and administrative	709	620	2,622	1,996
Pro forma income from operations	6,792	9,050	32,498	29,645
Other income, net	169	217	511	464
Pro forma income before income taxes	6,961	9,267	33,009	30,109
Pro forma income tax provision	2,645	3,521	12,543	11,441
Pro forma net income	\$ 4,316	\$ 5,746	\$ 20,466	\$ 18,668
Pro forma diluted income per share	<u>\$ 0.24</u>	<u>\$ 0.31</u>	<u>\$ 1.13</u>	<u>\$ 0.98</u>
Pro forma diluted weighted average shares outstanding	<u>17,879</u>	<u>18,520</u>	<u>18,143</u>	<u>19,007</u>

- (1) Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester's ongoing business, and are also used by Forrester in making compensation decisions. Our pro forma presentation excludes amortization of acquisition-related intangible assets, stock-based compensation, reorganization costs and net gains or losses from investments, as well as their related tax effects. The pro forma data does not purport to be prepared in accordance with Accounting Principles Generally Accepted in the United States.

Forrester Research, Inc.
Key Financial Data

(Unaudited, dollars in thousands)

	As of December 31,	
	2015	2014
Balance sheet data:		
Cash, cash equivalents and marketable investments	\$101,106	\$104,535
Accounts receivable, net	\$ 67,355	\$ 67,429
Deferred revenue	\$140,676	\$144,568

	Year Ended December 31,	
	2015	2014
Cash flow data:		
Net cash provided by operating activities	\$ 32,466	\$ 28,795
Purchases of property and equipment	\$ (3,931)	\$ (1,503)
Repurchases of common stock	\$(20,931)	\$(73,166)
Dividends paid	\$(12,179)	\$(11,962)

	As of December 31,	
	2015	2014
Metrics:		
Agreement value	\$237,000	\$231,700
Client retention	77%	76%
Dollar retention	89%	88%
Enrichment	98%	97%
Number of clients	2,471	2,431

	As of December 31,	
	2015	2014
Headcount:		
Total headcount	1,345	1,351
Research and consulting staff	499	518
Sales staff	524	510