

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): November 5, 2024

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 13-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$.01 Par Value	FORR	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 November 5, 2024, Forrester Research, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2024.

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

Amortization of intangibles—we exclude the effect of the amortization of acquisition-related intangible assets from our adjusted 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 investment in non-marketable securities from our adjusted results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Loss on sale of divested operation—we have excluded the loss on the sale of a divested operation, and the related external costs incurred, in the third quarter of 2024 in order to keep quarter-over-quarter and year-over-year comparisons consistent.

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

Restructuring costs—we exclude costs associated with the Company’s reductions in force and asset impairment charges associated with the Company’s reductions in office space from our adjusted results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Legal settlement—we have excluded a one-time legal settlement accrual for a wage-related matter from our adjusted results in 2023 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 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 [Press Release dated November 5, 2024 with respect to financial results for the quarter ended September 30, 2024.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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/ L. Christian Finn

Name: L. Christian Finn

Title: Chief Financial Officer

Date: November 5, 2024

Forrester Research Reports 2024 Third-Quarter Financial Results

CAMBRIDGE, Mass., November 5, 2024 — Forrester Research, Inc. (Nasdaq: FORR) today announced financial results for the third quarter ended September 30, 2024, with contract value (CV) at \$315.2 million, down 5% compared with the prior year.

“We continue to make strong progress with our product migration, and we are on track to exceed our target of 80% of CV on the Forrester Decisions platform by year-end. CV metrics are stable, and we are maintaining our revenue, margin, and EPS guidance for the year,” said CEO and Chairman George F. Colony. “We remain focused on our go-to-market improvements and enhancements to the platform, with the goal of delivering a strong fourth quarter to set us up for improved CV performance in 2025.”

Third-Quarter Consolidated Results

Total revenues for the third quarter of 2024 were \$102.5 million, compared with \$113.4 million for the comparable quarter in 2023.

On a GAAP basis, net loss was \$5.8 million, or \$0.30 per diluted share, for the third quarter of 2024, compared with net income of \$2.5 million, or \$0.13 per diluted share, for the same period in 2023.

On an adjusted basis, net income was \$5.6 million, or \$0.29 per diluted share, for the third quarter of 2024, reflecting an adjusted effective tax rate of 29%. Adjusted net income excludes stock-based compensation of \$3.6 million, amortization of acquisition-related intangible assets of \$2.4 million, restructuring costs of \$0.9 million, and the loss from the sale of divested operation and transaction costs of \$2.0 million. This compares with adjusted net income of \$8.6 million, or \$0.44 per diluted share, for the same period in 2023, which reflects an adjusted tax rate of 29%. Adjusted net income for the third quarter of 2023 excludes stock-based compensation of \$4.1 million and amortization of acquisition-related intangible assets of \$3.0 million.

Forrester is providing guidance for 2024 as follows:

Full-Year 2024 (GAAP):

- Total revenues of approximately \$425 million to \$435 million
- Operating margin of approximately 0.5% to 1.5%
- Interest expense of approximately \$3.0 million
- An effective tax rate of approximately 135% to 270%
- Loss per share of approximately \$0.24 to \$0.04

Full-Year 2024 (Adjusted):

Adjusted financial guidance for full-year 2024 excludes stock-based compensation expense of \$14.2 million to \$14.7 million, amortization of acquisition-related intangible assets of approximately \$9.7 million, restructuring costs of approximately \$7.6 million, loss from sale of divested operation and transaction costs of approximately \$2.0 million, and any investment gains or losses.

- Adjusted operating margin of approximately 8.5% to 9.5%
- Adjusted effective tax rate of approximately 29%
- Adjusted diluted earnings per share of approximately \$1.37 to \$1.57

About Forrester

Forrester (Nasdaq: FORR) is one of the most influential research and advisory firms in the world. We help leaders across technology, customer experience, digital, marketing, sales, and product functions use customer obsession to accelerate growth. Through Forrester's proprietary research, consulting, and events, leaders from around the globe are empowered to be bold at work — to navigate change and put their customers at the center of their leadership, strategy, and operations. Our unique insights are grounded in annual surveys of more than 700,000 consumers, business leaders, and technology leaders worldwide; rigorous and objective research methodologies, including Forrester Wave™ evaluations; and the shared wisdom of our clients. To learn more, visit [Forrester.com](https://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 full-year 2024 and statements about the performance of Forrester Decisions and 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, including the migration of its existing clients into its Forrester Decisions portfolio of services; Forrester's ability to fulfill existing or generate new consulting engagements and advisory services; technology spending;

the risks and challenges inherent in international business activities; the use of generative AI in Forrester's business and by Forrester's clients and competitors; Forrester's ability to offer new products and services; Forrester's dependence on key personnel; Forrester's ability to attract and retain professional staff; Forrester's ability to respond to business and economic conditions and market trends; the impact of Forrester's outstanding debt obligations; competition and industry consolidation; possible variations in Forrester's quarterly operating results; concentration of ownership of Forrester; the possibility of network disruptions and security breaches; any failure to enforce and protect Forrester's intellectual property rights; compliance with privacy laws; taxation risks; any weakness in Forrester's system of internal controls; and the amount and timing of the repurchase of Forrester stock. 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 operations 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenues:				
Research	\$ 77,070	\$ 80,606	\$237,314	\$249,211
Consulting	23,369	28,237	71,321	89,957
Events	2,088	4,588	15,794	23,522
Total revenues	102,527	113,431	324,429	362,690
Operating expenses:				
Cost of services and fulfillment	42,174	47,978	138,028	151,884
Selling and marketing	38,273	39,967	117,948	123,080
General and administrative	15,738	15,108	44,234	51,650
Depreciation	1,957	2,262	6,079	6,557
Amortization of intangible assets	2,404	3,041	7,431	9,175
Restructuring costs	937	19	7,643	12,140
Loss from sale of divested operation	1,775	—	1,775	—
Total operating expenses	103,258	108,375	323,138	354,486
Income (loss) from operations	(731)	5,056	1,291	8,204
Interest expense	(770)	(763)	(2,295)	(2,286)
Other income, net	427	568	2,716	1,632
Income (loss) before income taxes	(1,074)	4,861	1,712	7,550
Income tax expense	4,724	2,377	7,891	3,837
Net income (loss)	\$ (5,798)	\$ 2,484	\$ (6,179)	\$ 3,713
Basic income (loss) per common share	\$ (0.30)	\$ 0.13	\$ (0.32)	\$ 0.19
Diluted income (loss) per common share	\$ (0.30)	\$ 0.13	\$ (0.32)	\$ 0.19
Basic weighted average shares outstanding	19,065	19,191	19,147	19,164
Diluted weighted average shares outstanding	19,065	19,289	19,147	19,239
Adjusted data (1):				
Income (loss) from operations - GAAP	\$ (731)	\$ 5,056	\$ 1,291	\$ 8,204
Amortization of intangible assets	2,404	3,041	7,431	9,175
Restructuring costs	937	19	7,643	12,140
Loss from sale of divested operation and transaction costs	1,994	—	1,994	—
Legal settlement	—	—	—	4,800
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	2,142	2,449	6,777	6,505
Selling and marketing	528	790	1,685	2,094
General and administrative	933	905	2,740	2,570
Adjusted income from operations	\$ 8,207	\$ 12,260	\$ 29,561	\$ 45,488

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net income (loss) - GAAP	\$ (5,798)	\$ (0.30)	\$ 2,484	\$ 0.13	\$ (6,179)	\$ (0.32)	\$ 3,713	\$ 0.19
Amortization of intangible assets	2,404	0.13	3,041	0.16	7,431	0.39	9,175	0.47
Restructuring costs	937	0.05	19	—	7,643	0.40	12,140	0.63
Loss from sale of divested operation and transaction costs	1,994	0.10	—	—	1,994	0.10	—	—
Legal settlement	—	—	—	—	—	—	4,800	0.25
Stock-based compensation	3,603	0.19	4,144	0.21	11,202	0.58	11,169	0.58
Tax effects of items above (2)	2,167	0.11	(1,542)	(0.08)	(1,667)	(0.09)	(9,117)	(0.47)
Adjustment to tax expense for adjusted tax rate (3)	277	0.01	420	0.02	863	0.05	(48)	—
Adjusted net income	<u>\$ 5,584</u>	<u>0.29</u>	<u>\$ 8,566</u>	<u>\$ 0.44</u>	<u>\$21,287</u>	<u>1.11</u>	<u>\$31,832</u>	<u>\$ 1.65</u>
Diluted weighted average shares outstanding	<u>19,089</u>		<u>19,289</u>		<u>19,184</u>		<u>19,239</u>	

- (1) Forrester believes that adjusted 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 adjusted presentation excludes amortization of acquisition-related intangible assets, stock-based compensation, restructuring costs, a loss from the sale of a divested operation and related transaction costs, a legal settlement, and net gains or losses from investments, as well as their related tax effects. We also utilized an assumed tax rate of 29% in 2024 and 2023, which excludes items such as the settlement of prior year tax audits and the effect of any adjustments related to the filing of prior year tax returns. The adjusted data does not purport to be prepared in accordance with Generally Accepted Accounting Principles in the United States.
- (2) The tax effect of adjusting items is based on the accounting treatment and rate for the jurisdiction of each item.
- (3) To compute adjusted net income, we apply an adjusted effective tax rate of 29% in 2024 and 2023.

Forrester Research, Inc.
Key Financial Data

(Unaudited, dollars in thousands)

	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Balance sheet data:		
Cash, cash equivalents and marketable investments	\$ 114,932	\$ 124,489
Accounts receivable, net	\$ 39,165	\$ 58,999
Deferred revenue	\$ 153,155	\$ 156,798
Debt outstanding	\$ 35,000	\$ 35,000

	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>
Cash flow data:		
Net cash provided by (used in) operating activities	\$ (2,031)	\$ 9,791
Purchases of property and equipment	\$ (2,743)	\$ (3,903)
Repayments of debt	\$ —	\$ (15,000)
Repurchases of common stock	\$ (12,984)	\$ (4,082)

	<u>As of</u> <u>September 30,</u> <u>2024</u>	<u>As of</u> <u>September 30,</u> <u>2023</u>
Metrics:		
Contract value	\$ 315,200	\$ 331,200(a)
Client retention	73%	73%(a)
Wallet retention	89%	89%(a)
Number of clients	2,002	2,338(a)

	<u>As of</u> <u>September 30,</u> <u>2024</u>	<u>As of</u> <u>September 30,</u> <u>2023</u>
Headcount:		
Total headcount	1,608	1,750
Sales force	597	599

(a) September 30, 2023 amounts has been recast based on 2024 foreign currency rates, the divestiture of an operation in Q3 2024, and an updated methodology as described on the investor relations section of our website.