

# Forrester Research, Inc.

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The logo consists of the word "FORRESTER" in a white, serif, all-caps font, set against a dark green, horizontally-oriented oval background.

FORRESTER®

# Safe Harbor

**This presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of the Company. These projections or statements are only predictions. Actual events or results may differ materially from those in the projections or other forward-looking statements. Please see the Company's Annual Report to shareholders and its filings with the SEC, including its recent filings on Forms 10-K and 10-Q, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or forward-looking statements.**

# Company Summary

Technology research and advisory

1,316 employees in 26 global locations

2,452 clients, primarily 1B+ companies.

# Market

18,000 corporate and gov't organizations

Four million executives

\$12 billion -- growing and under-penetrated

Global, and driven by technology change.

# Capital Structure

Public since 1996, ~18.5 m shares outstanding

Quarterly dividend \$0.16 per share

Share count reduced 18% over the last 18 months through buybacks

44% inside ownership.

# Investment Thesis

Subscription-based revenue model

68% revenue is syndicated and recurring

High free cash flow – up to two times net

In a dynamic and continually changing market.

# Strategy

The world is entering the 20 year “Age of the customer”

Forrester helps large organizations as they seek to win, serve, and retain increasingly empowered customers.

# Power Shift







M&S

CMO

EB

ML

CI

CX

SE



TM



CIO

EA

IO

AD&D

SVM

SRM



CMO

EB

ML

CI

CX

SE



CIO

EA

IO

AD&D

SVM

SRM

M&S

BT

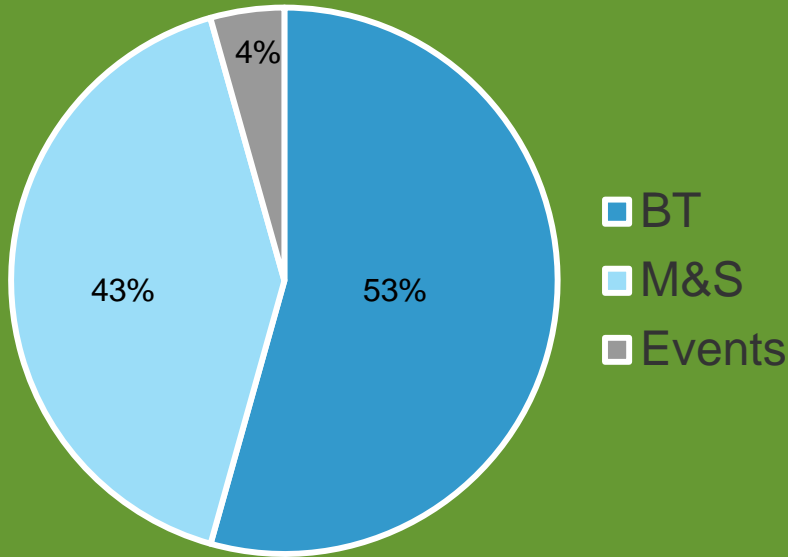
IT

# Budgets

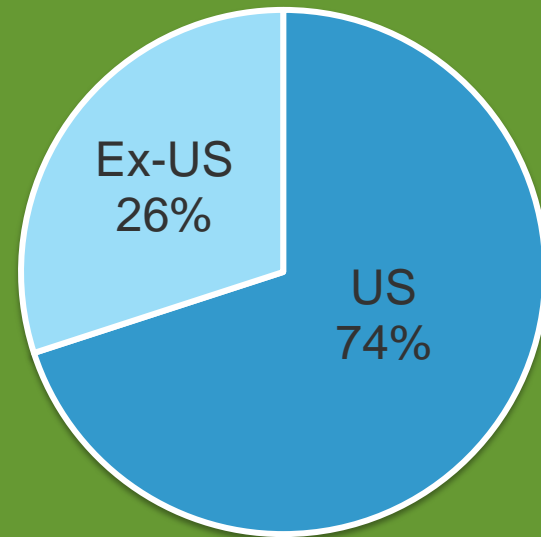


# 2013 Revenue of \$297.7 Million

By roles served

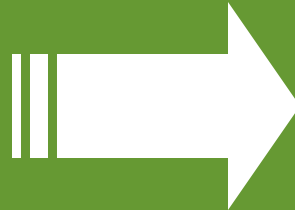


By region



# Fueled by Proprietary Research...

- 6,000 technology briefings
- 35,000 client inquires
- 475,000 consumer surveys
- 50,000 business surveys



- Research
- Boards
- Data

- Consulting
- Events

# Yearly-Renewed Research

Seat-based contracts

Access to over 10,000 research reports

Unlimited 30 minute analyst inquiry

Daily conference calls

42% of total revenue in 2013.

# Leadership Boards

13 role-specific boards

1,755 members at the end of 2013

Facilitating peers advising peers

19% of total revenue.

# Data

Three data products...newest is the FCXI

Consumer and business behavior and attitudes

Covering 74% of the global GDP

9% of total revenue.



# Consulting

Project consulting (multi-week)  
performed by a new dedicated consulting  
team

Advisory performed by analysts  
26% of total revenue.

# Events

23 events worldwide in 2013

300-1,700 attendees per event

4% of total revenue.

# Financial Performance

Met revenue and exceeded margin and EPS guidance for 2013

On track to achieve 2014 guidance

Rebuilding of sales began in 2013

Sales has moved the company back to growth in 2014.

# FY 2013 Income Statement – *Pro-Forma*

*Dollars in Millions*

	<b>FY 2013 Actual</b>	<b>FY 2012 Actual</b>	<b>YoY Growth</b>
Revenue	297.7	293.0	2%
Expense*	265.6	252.4	5%
Operating Income	32.0	40.6	-21%
Operating Margin	10.8%	13.9%	-22%
Net Income	19.9	25.6	-22%
WASO	21.4	22.9	-7%
EPS	0.93	1.11	-16%

**Guidance:**

Revenue

Operating Margin

EPS

**FY 13**

\$295.0mm- \$298.0mm

9.5% - 10.5%

\$0.85 - \$0.89

\* Includes pro-forma adjustments

# Q3 2014 Pro Forma P&L

Dollars in Millions

	Q3 2014	Q3 2013	YoY Growth
Revenue	75.4	69.8	8%
Expense*	68.0	63.1	8%
Operating Income	7.4	6.7	10%
Operating Margin	9.8%	9.6%	2%
Net Income	4.7	4.1	16%
WASO	18.5	20.7	-10%
EPS	0.25	0.20	29%

## Guidance:

Revenue

Operating Margin

EPS

## Q3 14

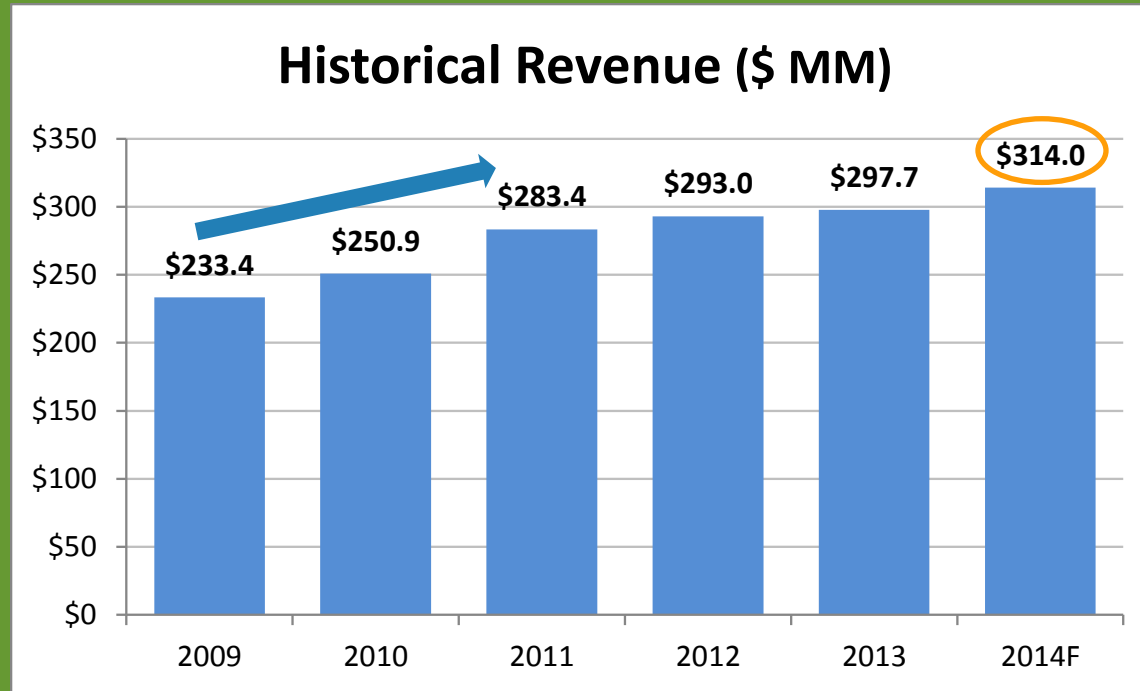
\$73.0mm - \$76.0mm

9.0% - 11.0%

\$0.22 - \$0.26

\* Includes pro-forma adjustments

# Key Financials



# Key Financials



# Capital Structure

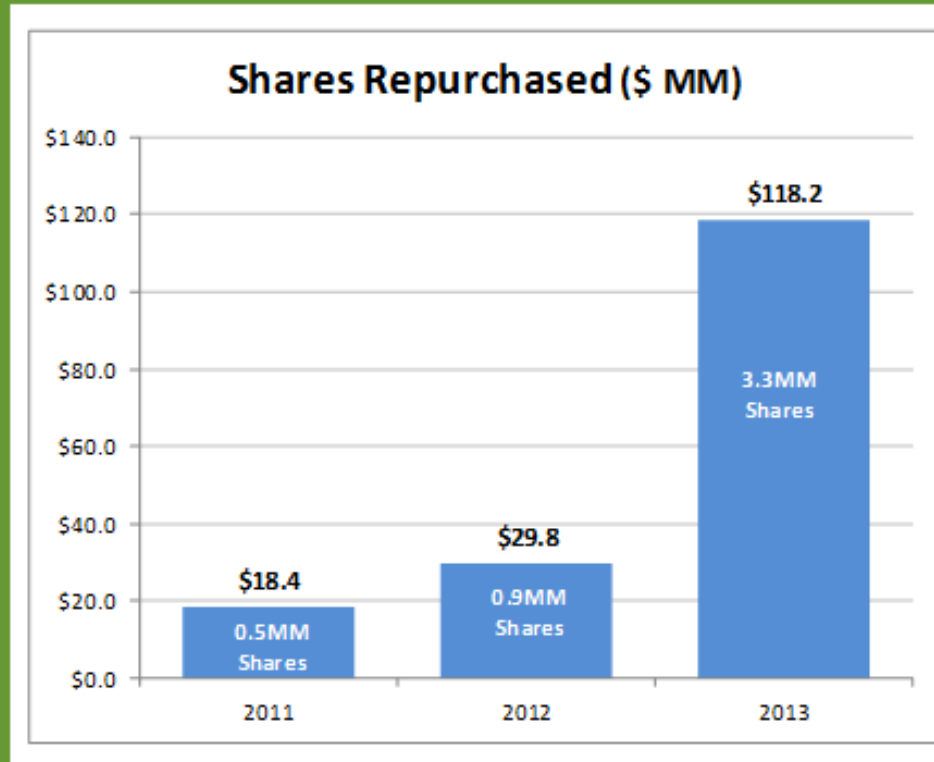
\$112 m in cash at end of Q3

Stock re-purchases a good use of our capital at this time

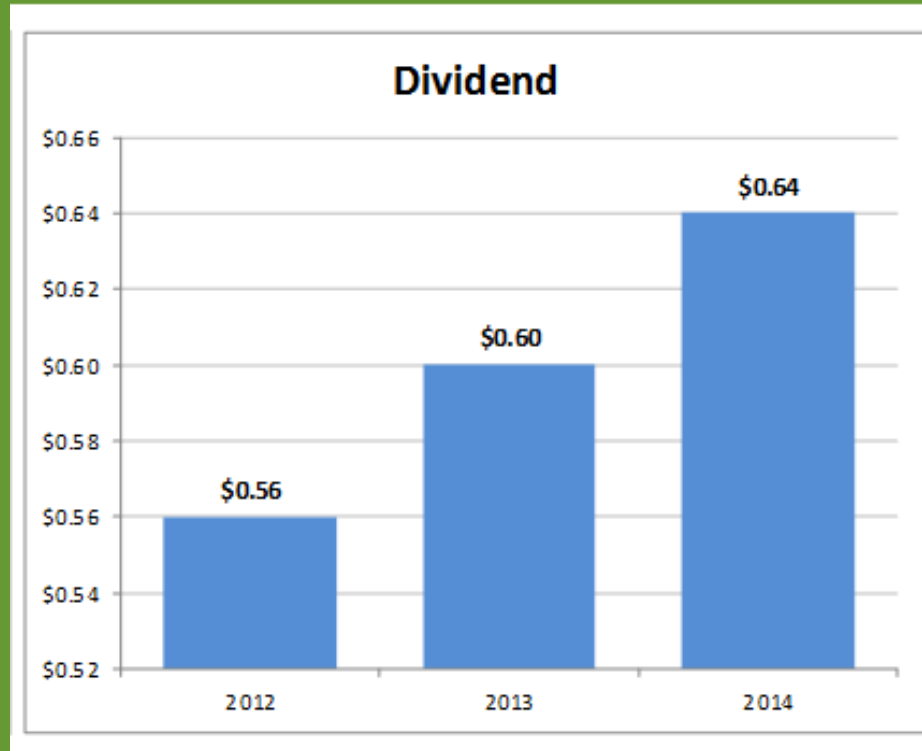
Long-term, capital will be used for internal investment, M&A, dividends, share re-purchase, in that order.



# Capital Structure Actions



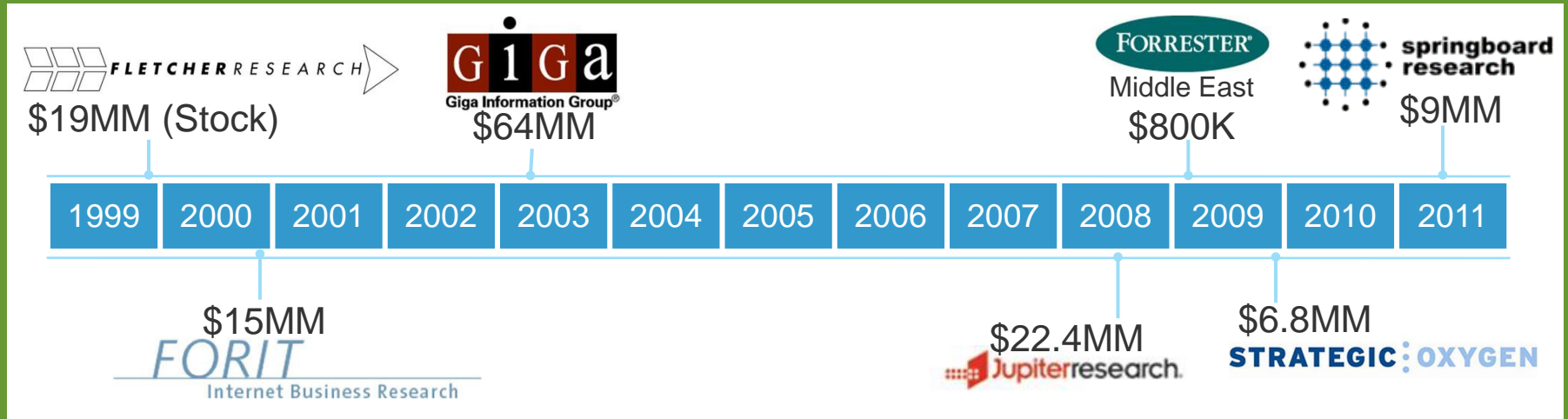
# Capital Structure Actions



*Dividends represent annual per share payout. Dividends are paid quarterly.*

# Acquisitions

Building out geography, role, or product  
Must meet strict financial & strategic criteria



# 2014 Fourth Quarter Outlook

Revenue of \$78.5-\$82.5 Million

*Pro forma* operating margin of 10% to 11%

*Pro forma* earnings per share of \$.27 to \$.31.

# 2014 Full Year Outlook

Revenue of \$310-\$314 Million

*Pro forma* operating margin of 9% to 10%

*Pro forma* earnings per share of \$0.94 to \$0.98.

# Summary

Age of the customer is an extraordinary growth and differentiation opportunity

Project consulting build-out on track

Returning the company to historical revenue and margin.

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