Forrester Research, Inc.

George F. Colony
CEO

Mike Doyle
CFO
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

Institutions

Technology

Price  Information  Location

Customers
2013 Revenue of $297.7 Million

By roles served:
- BT: 53%
- M&S: 43%
- Events: 4%

By region:
- US: 74%
- Ex-US: 26%
Fueled by Proprietary Research...

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

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

**Guidance: FY 13**
- Revenue: $295.0mm - $298.0mm
- Operating Margin: 9.5% - 10.5%
- EPS: $0.85 - $0.89

*Dollars in Millions*

*Includes pro-forma adjustments*
### Q3 2014 Pro Forma P&L

**Guidance:**
- **Revenue:** $73.0mm - $76.0mm
- **Operating Margin:** 9.0% - 11.0%
- **EPS:** $0.22 - $0.26

<table>
<thead>
<tr>
<th></th>
<th>Q3 2014</th>
<th>Q3 2013</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>75.4</td>
<td>69.8</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>68.0</td>
<td>63.1</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>7.4</td>
<td>6.7</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>9.8%</td>
<td>9.6%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>4.7</td>
<td>4.1</td>
<td>16%</td>
</tr>
<tr>
<td><strong>WASO</strong></td>
<td>18.5</td>
<td>20.7</td>
<td>-10%</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>0.25</td>
<td>0.20</td>
<td>29%</td>
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*Includes pro-forma adjustments*
Key Financials

Historical Revenue ($ MM)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$233.4</td>
<td>$250.9</td>
<td>$283.4</td>
<td>$293.0</td>
<td>$297.7</td>
<td>$314.0</td>
</tr>
</tbody>
</table>
Key Financials

Historical EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1.27</td>
</tr>
<tr>
<td>2010</td>
<td>$1.08</td>
</tr>
<tr>
<td>2011</td>
<td>$1.26</td>
</tr>
<tr>
<td>2012</td>
<td>$1.11</td>
</tr>
<tr>
<td>2013</td>
<td>$0.93</td>
</tr>
<tr>
<td>2014F</td>
<td>$0.96</td>
</tr>
</tbody>
</table>
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

Shares Repurchased ($ MM)

- 2011: 0.5MM Shares, $18.4 MM
- 2012: 0.9MM Shares, $29.8 MM
- 2013: 3.3MM Shares, $118.2 MM
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.