

**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): May 4, 2023**

**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:

<b>Title of Each Class</b>	<b>Trading Symbol(s)</b>	<b>Name of Each Exchange on Which Registered</b>
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 May 4, 2023, Forrester Research, Inc. issued a press release announcing its financial results for the quarter ended March 31, 2023.

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 intangibles 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.

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 for the first quarter of 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 2.05 Costs Associated with Exit or Disposal Activities**

On May 4, 2023, the Company announced a reduction in its workforce of approximately 8% of its employees across various geographies and functions. Notification to affected persons commenced May 1, 2023 and is expected to be completed by May 26, 2023. The Company expects to incur pre-tax expenses of approximately \$7.3 million to \$8.0 million in the second quarter of 2023 related principally to cash severance and related benefit costs for terminated employees.

The Company also plans to close certain of its smaller offices both inside and outside the United States. The Company anticipates total costs for this action to be approximately \$2.0 million to \$2.3 million, consisting primarily of non-cash lease impairment costs. In addition, the Company expects to incur approximately \$0.7 million for contract termination costs.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e)

Effective May 1, 2023, George F. Colony, the Chairman and Chief Executive Officer of the Company, has agreed to a reduction in his base salary to \$1.00 on an annualized basis for the remainder of 2023.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

99.1 [Press Release dated May 4, 2023 with respect to financial results for the quarter ended March 31, 2023.](#)

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

**Forward Looking Statements**

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements regarding anticipated charges in connection with the reduction in force, the closing of certain of the Company's offices and contract termination expenses, and the timing and process for completion of these actions. 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, the possibility that: there are impediments to the Company's ability to execute the reduction in force, office closings or contract termination as currently contemplated; the actual charges in implementing these actions are higher than anticipated; and there are changes to the assumptions on which the estimated charges associated with these actions are based. 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.

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: May 4, 2023

**Forrester Research Reports 2023 First-Quarter Financial Results**

**CAMBRIDGE, Mass., May 4, 2023** — Forrester Research, Inc. (Nasdaq: FORR) today announced financial results for the first quarter ended March 31, 2023. Results were driven by flat contract value (CV) growth and a revenue decline of 9%. On a GAAP basis, loss per share was \$0.21, and on an adjusted basis, earnings per share (EPS) was \$0.27.

Commenting on the announcement, CEO and Chairman George Colony stated, “The first quarter was difficult for Forrester. The unsteady economy, along with our ongoing product transformation, constitute ongoing challenges for our business. Consequently, we are taking actions to maintain our margins by reducing our cost structure to align with our expected revenue. Despite these moves, we remain confident in our strategy and in the Forrester Decisions research platform. We remain on track to transition two-thirds of our contract value to Forrester Decisions by year end.”

**First-Quarter Consolidated Results**

Total revenues for the first quarter of 2023 were \$113.7 million, compared with \$125.0 million for the comparable quarter in 2022.

On a GAAP basis, net loss was \$4.1 million, or \$0.21 per diluted share, for the first quarter of 2023, compared with net income of \$4.1 million, or \$0.22 per diluted share, for the same period in 2022.

On an adjusted basis, net income was \$5.1 million, or \$0.27 per diluted share, for the first quarter of 2023, reflecting an adjusted effective tax rate of 29%. Adjusted net income excludes stock-based compensation of \$3.2 million, amortization of acquisition-related intangible assets of \$3.1 million, restructuring costs of \$1.6 million, and a legal settlement of \$4.8 million. This compares with an adjusted net income of \$8.6 million, or \$0.45 per diluted share, for the same period in 2022, which reflects an adjusted tax rate of 30%. Adjusted net income for the first quarter of 2022 excludes stock-based compensation of \$3.3 million, amortization of acquisition-related intangible assets of \$3.4 million, and investment gains of \$0.4 million.

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Forrester is providing updated guidance for 2023 as follows:

*Full Year 2023 (GAAP):*

- Total revenues of approximately \$475 million to \$495 million
- Operating margin of approximately 2.0% to 3.0%
- Interest expense of approximately \$3.0 million
- An effective tax rate of approximately 38%
- Earnings per share of approximately \$0.24 to \$0.44

*Full Year 2023 (Adjusted):*

Adjusted financial guidance for full-year 2023 excludes stock-based compensation expense of \$17.5 million to \$18.5 million, amortization of acquisition-related intangible assets of approximately \$12.0 million, restructuring costs of \$11.5 million to \$12.5 million, a legal settlement of \$4.8 million, and any investment gains or losses.

- Adjusted operating margin of approximately 11.5% to 12.5%
- Adjusted effective tax rate of approximately 29%
- Adjusted diluted earnings per share of approximately \$2.00 to \$2.20

**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; over 100 million real-time feedback votes; and the shared wisdom of our clients. To learn more, visit [Forrester.com](https://www.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 2023 and statements about the performance of Forrester Decisions, Forrester's ability to manage costs, 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 impact of health epidemics, including COVID-19, on Forrester's business; 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 Operations**

(Unaudited, in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2023	2022
<b>Revenues:</b>		
Research	\$ 80,906	\$ 85,780
Consulting	31,750	38,431
Events	1,014	760
<b>Total revenues</b>	<u>113,670</u>	<u>124,971</u>
<b>Operating expenses:</b>		
Cost of services and fulfillment	49,292	53,251
Selling and marketing	41,532	44,044
General and administrative	21,227	15,524
Depreciation	2,104	2,319
Amortization of intangible assets	3,066	3,362
Restructuring costs	1,589	—
<b>Total operating expenses</b>	<u>118,810</u>	<u>118,500</u>
<b>Income (loss) from operations</b>	(5,140)	6,471
Interest expense	(793)	(613)
Other income (expense), net	550	(257)
Gains on investments	—	426
<b>Income (loss) before income taxes</b>	(5,383)	6,027
Income tax expense (benefit)	(1,308)	1,879
<b>Net income (loss)</b>	<u>\$ (4,075)</u>	<u>\$ 4,148</u>
Basic income (loss) per common share	<u>\$ (0.21)</u>	<u>\$ 0.22</u>
Diluted income (loss) per common share	<u>\$ (0.21)</u>	<u>\$ 0.22</u>
Basic weighted average shares outstanding	<u>19,108</u>	<u>18,988</u>
Diluted weighted average shares outstanding	<u>19,108</u>	<u>19,264</u>
<b>Adjusted data (1):</b>		
<b>Income (loss) from operations—GAAP</b>	\$ (5,140)	\$ 6,471
Amortization of intangible assets	3,066	3,362
Restructuring costs	1,589	—
Legal settlement	4,800	—
Stock-based compensation included in the following expense categories:		
Cost of services and fulfillment	1,847	1,926
Selling and marketing	497	633
General and administrative	821	735
<b>Adjusted income from operations</b>	<u>\$ 7,480</u>	<u>\$ 13,127</u>

	Three Months Ended March 31,			
	2023		2022	
	Amount	Per Share	Amount	Per Share
<b>Net income (loss)—GAAP</b>	\$ (4,075)	\$ (0.21)	\$ 4,148	\$ 0.22
Amortization of intangible assets	3,066	0.16	3,362	0.17
Restructuring costs	1,589	0.08	—	—
Legal settlement	4,800	0.25	—	—
Stock-based compensation	3,165	0.17	3,294	0.17
Gains on investments	—	—	(426)	(0.02)
Tax effects of items above (2)	(2,978)	(0.16)	(1,572)	(0.08)
Adjustment to tax expense for adjusted tax rate (3)	(429)	(0.02)	(226)	(0.01)
<b>Adjusted net income</b>	<u>\$ 5,138</u>	<u>0.27</u>	<u>\$ 8,580</u>	<u>\$ 0.45</u>
Diluted weighted average shares outstanding	<u>19,170</u>		<u>19,264</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 legal settlement, and net gains from investments, as well as their related tax effects. We also utilized an assumed tax rate of 29% in 2023 and 30% in 2022, 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 Accounting Principles Generally Accepted 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 2023 and 30% in 2022.

**Forrester Research, Inc.**  
**Key Financial Data**

(Unaudited, dollars in thousands)

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
<b>Balance sheet data:</b>		
Cash, cash equivalents and marketable investments	\$ 120,976	\$ 123,317
Accounts receivable, net	\$ 58,915	\$ 73,345
Deferred revenue	\$ 215,093	\$ 178,021
Debt outstanding	\$ 35,000	\$ 50,000

	<u>2023</u>	<u>March 31,</u> <u>2022</u>
<b>Cash flow data:</b>		
Net cash provided by operating activities	\$ 12,282	\$ 22,666
Purchases of property and equipment	\$ (1,632)	\$ (1,262)
Repayments of debt	\$ (15,000)	\$ (15,000)
Repurchases of common stock	\$ —	\$ (9,459)

	<u>2023</u>	<u>As of</u> <u>March 31,</u> <u>2022</u>
<b>Metrics:</b>		
Contract value	\$ 347,300	\$ 347,300(a)
Client retention	74%	77%
Wallet retention	92%	103%
Number of clients	2,678	2,945

	<u>2023</u>	<u>As of</u> <u>March 31,</u> <u>2022</u>
<b>Headcount:</b>		
Total headcount	1,965	1,870
Sales force	701	670

(a) March 31, 2022 contract value has been recast based on 2023 foreign currency rates.