

# Forrester Research, Inc.

*George Colony, Chairman & CEO*

*Mike Doyle, CFO*



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

1,351 employees in 26 global locations

2,431 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 \$0.17 per share

Share count reduced 18% over the last 24 months through buybacks

44% inside ownership.

# Investment Thesis

Subscription-based revenue model

67% 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

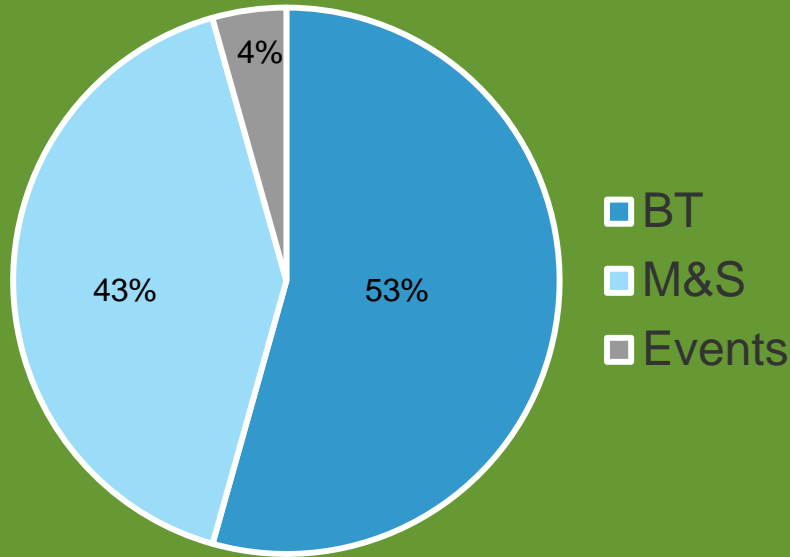
IT

# Budgets

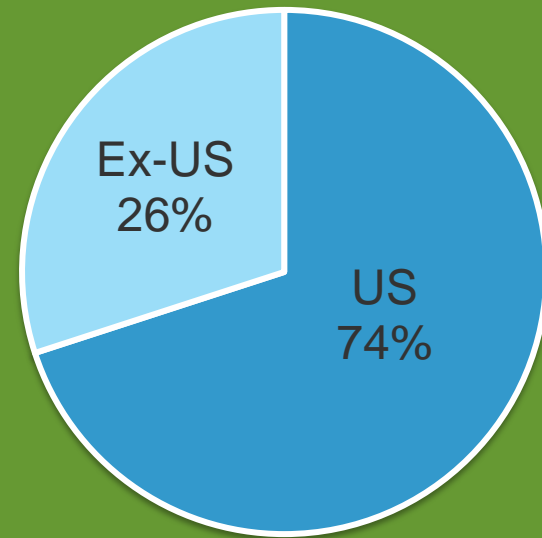


# 2014 Revenue of 312.1 Million

By roles served

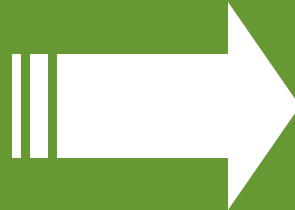


By region



# Fueled by Proprietary Research...

- 6,000 technology briefings
- 35,000 client inquiries
- 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

43% of total revenue in 2014.

# Leadership Boards

13 role-specific boards

1,636 members at the end of 2014

Facilitating peers advising peers

18% of total revenue.

# Data

Three data products...newest is the FCXI

Consumer and business behavior and attitudes

Covering 80% 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

16 events worldwide in 2014

300-1,700 attendees per event

4% of total revenue.

# 2014 Financial Performance

Met revenue and margin guidance and were at the upper end of EPS guidance

Achieved targeted cash levels and continued to return value to shareholders

Continue to invest in Sales and Technology to fuel growth and enhance our customer experience .

# FY Income Statement – *Pro-Forma*

*Dollars in Millions*

	FY14	FY13	Y/Y %
Revenue	312.1	297.6	5%
Expense*	282.4	265.6	6%
Operating Income	29.6	32.0	-7%
Operating Margin	9%	11%	-12%
Net Income	18.7	19.9	-6%
EPS	0.98	0.93	5%
WASO	19.0	21.4	-11%

**Guidance:**

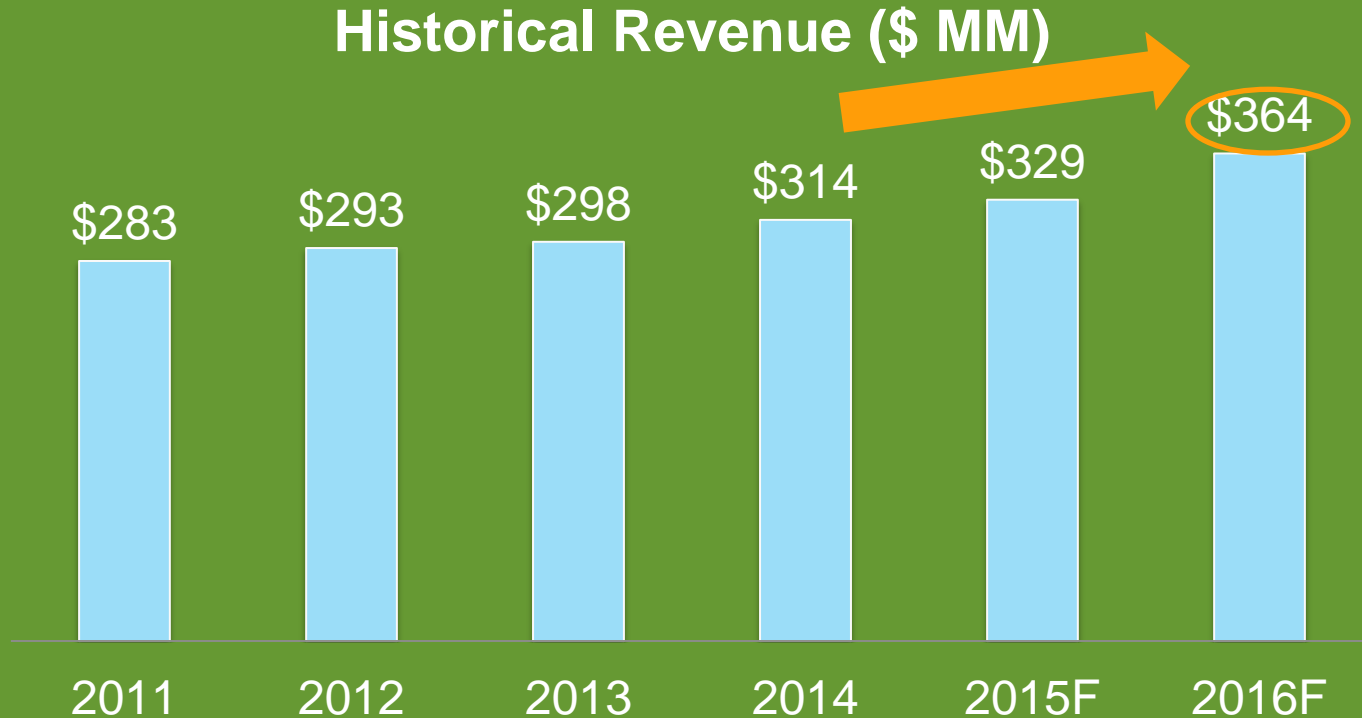
Revenue  
Operating Margin  
EPS

**FY14**

\$310mm- \$314mm  
9.0% - 10.0%  
\$0.94 - \$0.98

\* Includes pro-forma adjustments

# Key Financials



# Key Financials



# Capital Structure

\$104.5 mm in cash at end of 2014

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)





# Capital Structure Actions

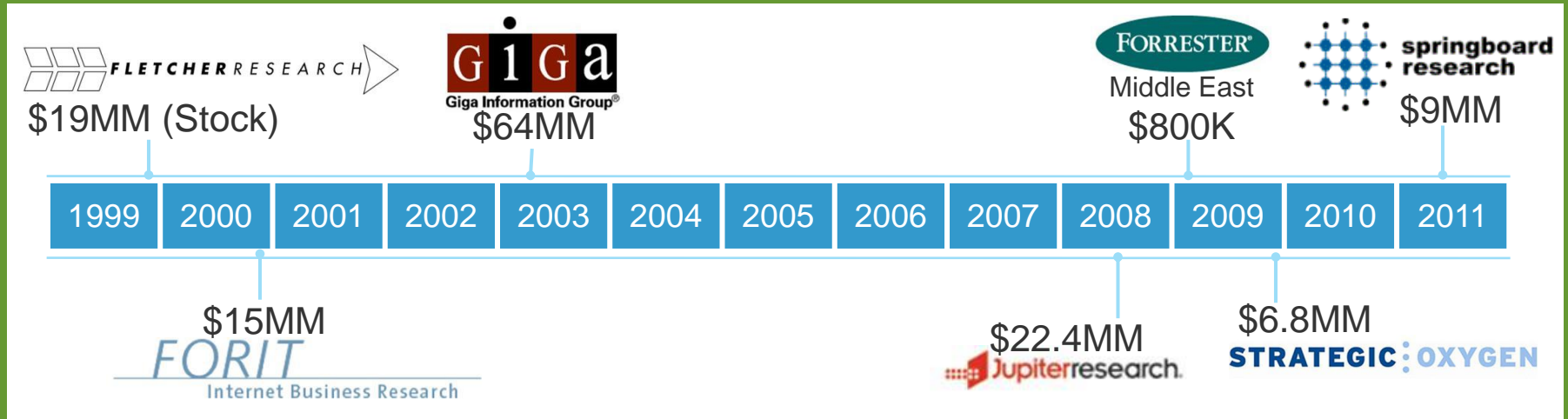
## Dividend



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

# Acquisitions

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



# 2015 First Quarter Outlook

Revenue of \$74.5-\$77.5 Million

*Pro forma* operating margin of 5% to 7%

*Pro forma* earnings per share of \$.13 to \$.17.

# 2015 Full Year Outlook

Revenue of \$325-\$333 Million

*Pro forma* operating margin of 9.5% to 10.5%

*Pro forma* earnings per share of \$1.03 to \$1.13.

# Summary

Age of the customer is an extraordinary growth and differentiation opportunity

Project consulting, Product and Research organizations in place and resourced to drive growth

Returning the company to historical revenue and margin.

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