

Forrester 2020 Investor Summary

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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.

Forrester creates research that enables companies to grow profit and revenue in an age of tech-empowered customers.



Vision Research



Strategy Research



Execution Research

Research drives client profitability

+34%

Forrester clients
are 34% more
profitable than
non-clients.

+52%

Forrester's most
engaged clients are
52% more profitable
than non-clients.

Total Available Research Market

| | |
|------------------------------------|------------------------|
| Vision: | \$9 Billion |
| Strategy: | \$21 Billion |
| Execution: | \$52 Billion |
| Total: | \$82 Billion |
| Forrester 2019 Revenue: | \$486.5 Million |

Forrester's Competitive Position

| | <i>Back office tech</i> | <i>Customer Tech</i> |
|---------------------|-----------------------------|----------------------|
| <i>Subscription</i> | Gartner | FORRESTER® |
| <i>Consulting</i> | Deloitte... Accenture... | Nielsen... WPP... |

Forrester's Global Reach

18 offices in 10 countries

13 channel partners in 18 countries

Over 1,800 employees

2,880 clients



The Forrester Growth Engine

Forrester grows
through...

Renewing contracts

Enriching contracts

New business

Improving existing products

Introducing new products

Acquisitions

Growth from
renewals,
enrichment and
new business

Customer Engagement Model

Sales force effectiveness

Sales Force
Effectiveness

**Client Enrichment finished
2019 at 106%**

**12 consecutive quarters of
increased Salesperson
productivity through year-
end 2019**



Growth from
product innovation

**Continual improvement of
existing products -- CXi**

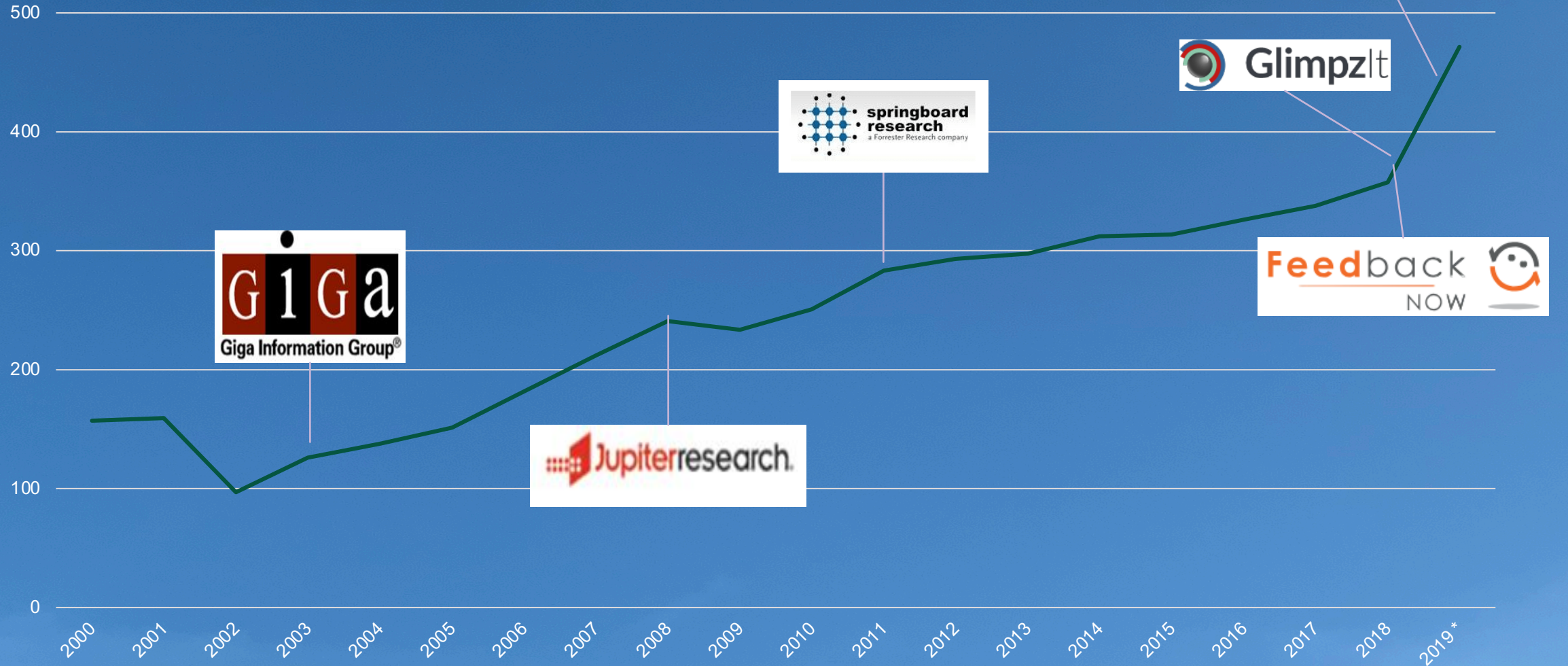
**One new product introduced
every 24 months --
Certification**

A background image of a clear blue sky with scattered, light-colored clouds. The clouds are more concentrated in the upper right portion of the frame.

Growth from acquisitions

Forrester's acquisitions have had a meaningful impact on our growth

Dollars in Millions



* 2019 revenue reflects midpoint of full year guidance and is not actual or final

**Operational research for B2B
marketers, sales leaders, and
product leaders**

SiriusDecisions

\$91M in revenue

**Average yearly growth of 15%
over the last five years**

Forrester and Sirius create a complete research portfolio to deliver client success in the AOC

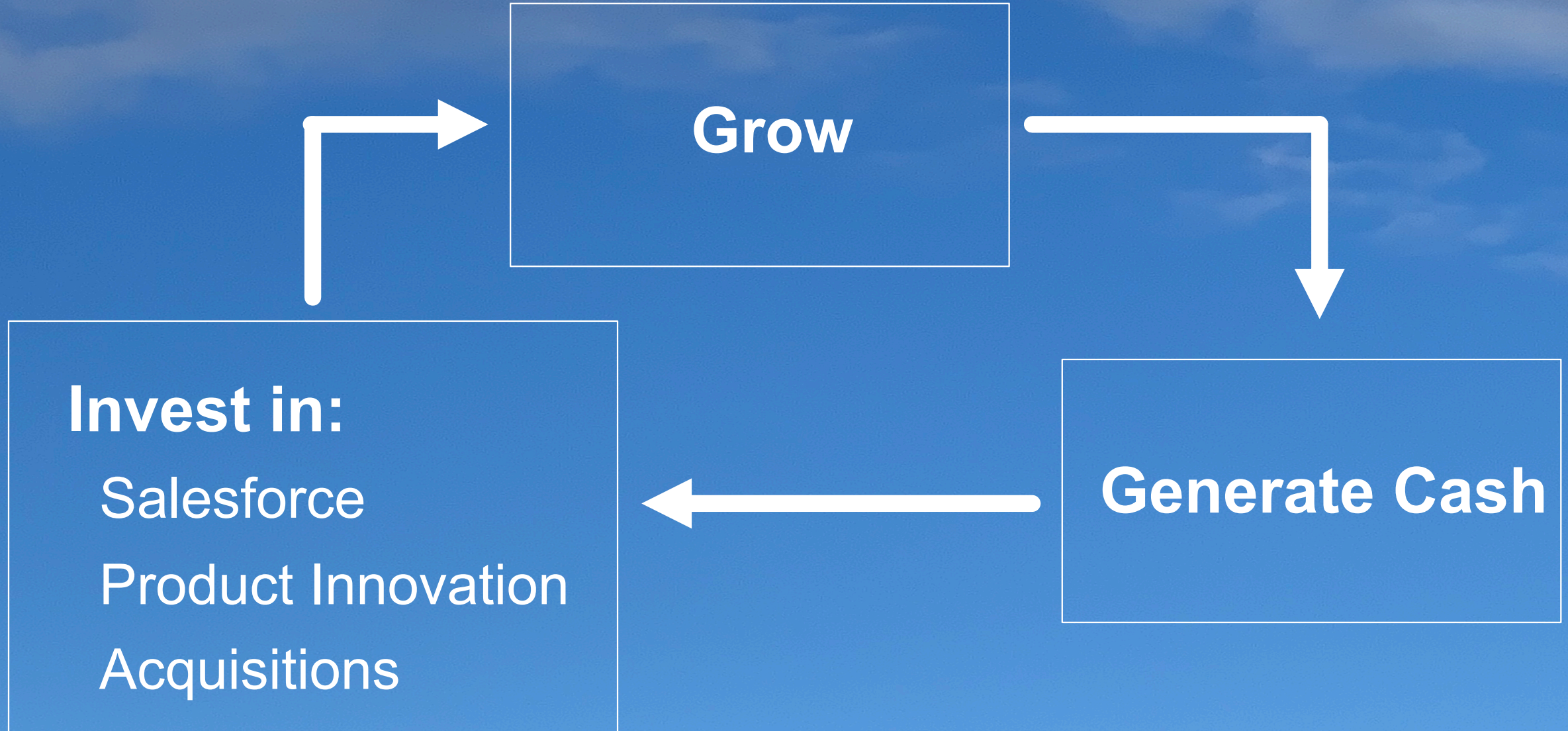


FeedbackNow



\$4.5M in revenue
Growing 270%

The Forrester Growth Engine



Pandemic Impact on Forrester

Events

Analyst Advisory

**General economic
slowdown**

Actions We Have Taken

Cut \$60 million in cost

**In-depth pandemic
research**

**Successfully pivoted
Events to virtual**

Financial Overview

Products by 2019 Revenue

Research Revenue

FORRESTER® RESEARCH

48%



- AoC Research
- Decision frameworks
- ❖ **B2B Marketing**
 - › **CMO**
 - › **CSO**
 - › **Product**

FORRESTER® CONNECT

12%



- Peer connections
- Executive coaches
- Community
- **Certification**

FORRESTER® ANALYTICS

6%



- CX Index
- Consumer Technographics
- Business Technographics
- ForecastView
- ❖ **FeedbackNow**

Consulting & Events Revenue

FORRESTER® CONSULTING

28%



- Advisory
- Strategy consulting
- Content marketing
- ❖ **Operations consulting**

FORRESTER® EVENTS

6%



- ❖ **SiriusDecisions Summits**
- CX Forums
- Digital Transformation Forums
- Marketing Forums
- Strategy and Insights Forum

Adjusted Income Statement – Q2 2020

| (in \$M) | Q2-20 | PY | Y/Y \$Δ | Y/Y %Δ |
|------------------------|--------|--------|---------|--------|
| Revenue | 113.7 | 133.1 | -19.4 | -15% |
| Expense | 94.5 | 113.1 | -18.6 | -16% |
| Operating Income | 19.2 | 20.0 | -0.8 | -4% |
| Operating Margin | 16.9% | 15.0% | 1.9% | 12% |
| Other Income/(Expense) | -1.5 | -2.2 | 0.7 | -32% |
| Net Income | 12.2 | 12.3 | -0.1 | -1% |
| EPS | \$0.65 | \$0.65 | -\$0.01 | -1% |
| WASO | 18.8 | 18.8 | 0.1 | 0% |

| | | |
|----------|---------|-----------------|
| Guidance | Revenue | 103.0 - 108.0 |
| | Margin | 8% - 10% |
| | EPS | \$0.26 - \$0.34 |

Client Metrics – Q2 2020

Client metrics showing the impact of the pandemic

| | Q2-18 | Q2-19 | Q2-20 | Q1-20 |
|--|--------|--------|--------|--------|
| Agreement Value (in \$M) | 249.5 | 348.9 | 339.4 | 354.9 |
| AV y/y growth | 5.4% | 39.8% | -2.7% | 2.8% |
| AV q/q growth | 1.3% | 1.0% | -4.4% | -0.9% |
| Deferred Revenue (in \$M) | 142.9 | 180.9 | 170.8 | 195.4 |
| Y/Y growth | -1.7% | 26.6% | -5.6% | 2.4% |
| Sequential qtrly growth | -8.0% | -5.2% | -12.6% | 9.0% |
| 12 mo. Rolling Client Retention | 71.2% | 73.1% | 65.7% | 68.9% |
| 12 mo. Rolling Dollar Retention | 89.1% | 90.0% | 88.1% | 89.1% |
| 12 mo. Rolling Enrichment | 107.3% | 108.4% | 98.2% | 102.2% |
| Client Count | 2,355 | 2,875 | 2,679 | 2,805 |
| Y/Y growth | -2.6% | 22.1% | -6.8% | -1.6% |

2020 Full Year Guidance – Adjusted

- Revenue: \$420MM to \$430MM
- Op. Margin: 8.5% to 10.5%
- EPS: \$1.15 to \$1.40
- Performance vs. PY: -9% to -11%
- Performance vs. PY: -1pt to -3pts
- Performance vs. PY: -15% to -30%

Forrester's Pandemic Pivot

We are experiencing near-term pressure, like most businesses, that will impact revenue and operating profit in 2020.

On our Q1 call, we reduced our revenue and EPS guidance:

Significantly beat revenue and EPS guidance for Q2 as Events and Consulting performed better than expected. On our Q2 call we tightened full year revenue guidance towards upper end of previous guidance and increased full year EPS guidance

Our balance sheet is in good shape and we have a \$75 million revolving line of credit available

We will manage through this as we have past recessions. The pandemic has created opportunities to help our clients improve their digital business models