
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): October 28, 2014

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 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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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 October 29, 2014, Forrester Research, Inc. issued a press release announcing its financial results for the quarter and nine months ended September 30, 2014.

Forrester believes that pro forma financial results provide investors with consistent and comparable information to aid in the understanding of Forrester’s ongoing business. Forrester uses pro forma financial information to manage its business, including use of pro forma financial results as the basis for setting targets for various compensation programs. Our pro forma 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 pro forma 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 investments in non-marketable securities and sales of marketable securities from our pro forma 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 pro forma results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Reorganization costs and credits associated with the Company’s reductions in force are not included in our pro forma results in order 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 8.01 Other Events.

On October 29, 2014, the Company announced that its Board of Directors has approved a regular quarterly cash dividend of \$0.16 per share, to be paid on December 17, 2014 to shareholders of record on December 3, 2014.

(d) Exhibits

99.1 Press Release dated October 29, 2014 with respect to financial results for the quarter and nine months ended September 30, 2014 and the approval of a quarterly cash dividend.

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/ Michael A. Doyle

Name: Michael A. Doyle
Title: Chief Financial Officer and Treasurer

Date: October 29, 2014

Exhibit Index

<u>Exhibit</u>	<u>Description</u>	<u>Page</u>
99.1	Press Release dated October 29, 2014	xx



FOR IMMEDIATE RELEASE

Forrester Research Reports Third-Quarter Financial Results

Cambridge, Mass., October 29, 2014 . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its 2014 third-quarter financial results.

Third-Quarter Financial Performance

Total revenues were \$75.4 million for the third quarter of 2014, compared with \$69.8 million for the third quarter of 2013. Research revenues increased 2%, and advisory services and event revenues increased 24%, compared with the third quarter of 2013.

On a GAAP basis, net income was \$3.0 million, or \$0.16 per diluted share, for the third quarter of 2014, compared with net income of \$2.5 million, or \$0.12 per diluted share, for the same period in 2013.

On a pro forma basis, net income was \$4.7 million, or \$0.25 per diluted share, for the third quarter of 2014, which reflects a pro forma effective tax rate of 38%. Pro forma net income excludes stock-based compensation of \$2.0 million, amortization of acquisition-related intangible assets of \$0.5 million, a credit for reorganization costs of \$0.1 million, and net investment losses of \$0.1 million. This compares with pro forma net income of \$4.1 million, or \$0.20 per diluted share, for the same period in 2013, which reflects a pro forma tax rate of 39%. Pro forma net income for the third quarter of 2013 excludes stock-based compensation of \$1.9 million and amortization of acquisition-related intangible assets of \$0.6 million.

“Forrester met its revenue and EPS guidance for the third quarter,” said George F. Colony, Forrester’s chairman and chief executive officer. “Our unique positioning in the age of the customer is engendering deeper relationships with our clients and opening new doors into new companies. In Q3, we continued to demonstrate the same steady growth since the start of the year. However, we still have work to do to ensure consistent performance across all parts of the business.”

A reconciliation of GAAP results to pro forma results may be found in the attached financial tables.

Forrester is providing fourth-quarter 2014 financial guidance as follows:

Fourth-Quarter 2014 (GAAP):

- Total revenues of approximately \$78.5 million to \$82.5 million.
- Operating margin of approximately 6.5% to 7.5%.
- Other income, net of zero.
- An effective tax rate of 39%.
- Diluted earnings per share of approximately \$0.18 to \$0.22.

Fourth-Quarter 2014 (Pro Forma):

Pro forma financial guidance for the fourth quarter of 2014 excludes stock-based compensation expense of \$2.1 million to \$2.4 million, amortization of acquisition-related intangible assets of approximately \$0.5 million, and any investment gains or losses.

- Pro forma operating margin of approximately 10.0% to 11.0%.
- Pro forma effective tax rate of 38%.
- Pro forma diluted earnings per share of approximately \$0.27 to \$0.31.

Our full-year 2014 guidance is as follows:

Full-Year 2014 (GAAP):

- Total revenues of approximately \$310.0 million to \$314.0 million.
- Operating margin of approximately 5.5% to 6.5%.
- Other income, net of \$0.2 million.
- An effective tax rate of 40%.
- Diluted earnings per share of approximately \$0.56 to \$0.60.

Full-Year 2014 (Pro Forma):

Pro forma financial guidance for full-year 2014 excludes stock-based compensation expense of \$7.2 million to \$7.5 million, reorganization costs of approximately \$1.8 million, amortization of acquisition-related intangible assets of approximately \$2.1 million, and any investment gains or losses.

- Pro forma operating margin of approximately 9.0% to 10.0%.
- Pro forma effective tax rate of 38%.
- Pro forma diluted earnings per share of approximately \$0.94 to \$0.98.

Quarterly Dividend

Forrester also announced today that its board of directors has approved a quarterly dividend of \$0.16 per share payable December 17, 2014, to shareholders of record on December 3, 2014.

About Forrester Research

Forrester Research (Nasdaq: FORR) is a global research and advisory firm serving professionals in 13 key roles across three distinct client segments. Our clients face progressively complex business and technology decisions every day. To help them understand, strategize, and act upon opportunities brought by change, Forrester provides proprietary research, consumer and business data, custom consulting, events and online communities, and peer-to-peer executive programs. We guide leaders in business technology, marketing and strategy, and the technology industry through independent fact-based insight, ensuring their business success today and tomorrow. For more information, visit 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 fourth quarter of and full-year 2014 and statements about 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, technology spending, Forrester's ability to respond to business and economic conditions and market trends, the risks and challenges inherent in international business activities, competition and industry consolidation, the ability to attract and retain professional staff, Forrester's dependence on key personnel, the possibility of network disruptions and security breaches, and possible variations in Forrester's quarterly operating results. Financial guidance regarding shares outstanding and per-share amounts is based on certain assumptions that are subject to change, including as a result of the number of shares repurchased by Forrester under its announced share repurchase program. Dividend declarations are at the discretion of Forrester's board of directors, and plans for future dividends may be revised by the board at any time. 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 income and the table of key financial data are attached.

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Forrester Research, Inc.
Consolidated Statements of Income

(Unaudited, in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
Research services	\$50,622	\$49,855	\$153,737	\$151,445
Advisory services and events	24,741	19,960	77,644	68,684
Total revenues	<u>75,363</u>	<u>69,815</u>	<u>231,381</u>	<u>220,129</u>
Operating expenses:				
Cost of services and fulfillment	30,105	27,584	93,143	85,397
Selling and marketing	27,677	25,771	86,190	79,617
General and administrative	10,023	9,310	29,365	27,217
Depreciation	2,174	2,292	7,236	6,954
Amortization of intangible assets	530	557	1,605	1,670
Reorganization costs (credits)	(71)	—	1,817	1,905
Total operating expenses	<u>70,438</u>	<u>65,514</u>	<u>219,356</u>	<u>202,760</u>
Income from operations	4,925	4,301	12,025	17,369
Other income (expense), net	232	(71)	247	560
Gains (losses) on investments, net	(105)	18	(25)	(84)
Income before income taxes	5,052	4,248	12,247	17,845
Income tax provision	2,009	1,739	4,981	6,982
Net Income	<u>\$ 3,043</u>	<u>\$ 2,509</u>	<u>\$ 7,266</u>	<u>\$ 10,863</u>
Diluted income per share	<u>\$ 0.16</u>	<u>\$ 0.12</u>	<u>\$ 0.38</u>	<u>\$ 0.50</u>
Diluted weighted average shares outstanding	<u>18,549</u>	<u>20,665</u>	<u>19,169</u>	<u>21,690</u>
Basic income per share	<u>\$ 0.17</u>	<u>\$ 0.12</u>	<u>\$ 0.38</u>	<u>\$ 0.51</u>
Basic weighted average shares outstanding	<u>18,287</u>	<u>20,117</u>	<u>18,886</u>	<u>21,226</u>
Pro forma data (1):				
Income from operations	\$ 4,925	\$ 4,301	\$ 12,025	\$ 17,369
Amortization of intangible assets	530	557	1,605	1,670
Reorganization costs (credits)	(71)	—	1,817	1,905
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	1,134	1,061	3,005	2,708
Selling and marketing	302	321	767	893
General and administrative	547	478	1,376	987
Pro forma income from operations	7,367	6,718	20,595	25,532
Other income (expense), net	232	(71)	247	560
Pro forma income before income taxes	7,599	6,647	20,842	26,092
Pro forma income tax provision	2,888	2,592	7,920	10,176
Pro forma net income	<u>\$ 4,711</u>	<u>\$ 4,055</u>	<u>\$ 12,922</u>	<u>\$ 15,916</u>
Pro forma diluted income per share	<u>\$ 0.25</u>	<u>\$ 0.20</u>	<u>\$ 0.67</u>	<u>\$ 0.73</u>
Diluted weighted average shares outstanding	<u>18,549</u>	<u>20,665</u>	<u>19,169</u>	<u>21,690</u>

(1) Forrester believes that pro forma 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 pro forma presentation excludes amortization of acquisition-related intangible assets, stock-based compensation, reorganization costs (credits) and net gains or losses from investments, as well as their related tax effects. The pro forma data does not purport to be prepared in accordance with Accounting Principles Generally Accepted in the United States.

Forrester Research, Inc.
Key Financial Data

(Unaudited, dollars in thousands)

	<u>September 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
Balance sheet data:		
Cash, cash equivalents and marketable investments	\$ 112,429	\$ 155,145
Accounts receivable, net	\$ 39,041	\$ 77,543
Deferred revenue	\$ 129,390	\$ 152,903
	Nine Months Ended September 30,	
	<u>2014</u>	<u>2013</u>
Cash flow data:		
Net cash provided by operating activities	\$ 27,851	\$ 32,352
Purchases of property and equipment	\$ (1,110)	\$ (2,049)
Repurchases of common stock	\$ (66,557)	\$ (109,193)
Dividends paid	\$ (9,053)	\$ (9,425)
	As of September 30,	
	<u>2014</u>	<u>2013</u>
Metrics:		
Agreement value	\$ 226,915	\$ 210,744
Client retention	76%	76%
Dollar retention	89%	89%
Enrichment	97%	95%
Number of clients	2,452	2,482
	As of September 30,	
	<u>2014</u>	<u>2013</u>
Headcount:		
Total headcount	1,316	1,263
Research and consulting staff	511	466
Sales staff	494	474