

**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): November 3, 2021**

**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>
<b>Common Stock, \$.01 Par Value</b>	<b>FORR</b>	<b>Nasdaq Global Select Market</b>

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 November 3, 2021, Forrester Research, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2021.

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.

Fair value adjustment of deferred revenue—we exclude the reduction in revenue resulting from the fair value adjustment of pre-acquisition deferred revenue 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.

Integration costs—we exclude the direct costs of integrating acquired companies from our adjusted results in order to keep quarter-over-quarter and year-over-year comparisons consistent.

Lease incentive costs and credits—we recognized a credit on our statement of operations of \$3.4 million during the three months ending December 31, 2020, and incurred \$0.2 million of duplicate rent costs during the three months ended September 30, 2020, related to an incentive from one of our landlords to terminate a lease early. We exclude these costs and credits from our adjusted 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 9.01. Financial Statements and Exhibits**

### **(d) Exhibits**

- 99.1 [Press Release dated November 3, 2021 with respect to financial results for the quarter ended September 30, 2021.](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: November 3, 2021

**Forrester Research Reports 2021 Third-Quarter Financial Results**  
**Year-over-year total contract value up by 12% to \$331 million**

**Cambridge, Mass., November 3, 2021** . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its 2021 third-quarter financial results.

Total revenues were \$118.1 million for the third quarter of 2021, compared with \$108.6 million for the third quarter of 2020. The company also announced that its board of directors authorized a \$50 million increase in the company's stock repurchase program, bringing the total available repurchase authorization to approximately \$100 million.

On a GAAP basis, net income was \$4.5 million, or \$0.23 per diluted share, for the third quarter of 2021, compared with a net loss of \$3.8 million, or \$0.20 per diluted share, for the same period in 2020.

On an adjusted basis, net income was \$7.9 million, or \$0.41 per diluted share, for the third quarter of 2021, which reflects an adjusted effective tax rate of 31%. Adjusted net income excludes stock-based compensation of \$2.5 million and amortization of acquisition-related intangible assets of \$3.7 million. This compares with an adjusted net income of \$4.6 million, or \$0.24 per diluted share, for the same period in 2020, which reflects an adjusted tax rate of 31%. Adjusted net income for the third quarter of 2020 excludes stock-based compensation of \$2.7 million, amortization of acquisition-related intangible assets of \$4.7 million, acquisition-related deferred revenue fair value adjustment of \$0.1 million, integration costs of \$0.3 million, and lease incentive costs of \$0.2 million.

"We continued to see strong momentum in Q3 and achieved our goal of driving double-digit contract value growth faster than we expected," said George F. Colony, Forrester's chairman and chief executive officer. "Year-over-year contract value increased by 12%. We also delivered strong overall revenue growth and cash flow, with a significant expansion of our operating margin and EPS growth of 71%. As a result of our continued strong performance in Q3, we are raising full-year guidance for the third time this year."

"Our solid performance over the past few quarters has allowed us to make investments into sales, marketing, and technology, which will further propel our business forward. Additionally, our newly launched product portfolio, Forrester Decisions, is resonating well with our clients. This next-generation platform will help us drive sustained double-digit contract value growth. Forrester Decisions is already helping us improve our sales velocity, drive wallet retention, and deepen our relationship with clients, resulting in multiyear recurring deals."

As part of the company's pivot to contract value (CV) in 2021, Forrester is classifying all components of its CV subscription research products as research revenues. In prior periods, advisory sessions included in Forrester's research subscription products were classified as consulting revenues. This has resulted in approximately \$1.6 million and \$4.5 million of revenue being reclassified from consulting revenues to research revenues in the three and nine months ended September 30, 2020, respectively.

Forrester is providing fourth-quarter and full-year 2021 financial guidance as follows:

*Fourth-Quarter 2021 (GAAP):*

- Total revenues of approximately \$131.0 million to \$136.0 million.
- Operating margin of approximately 7.5% to 9.5%.
- Interest expense of approximately \$1.0 million.
- An effective tax rate of 28%.
- Earnings per share of approximately \$0.33 to \$0.39.

*Fourth-Quarter 2021 (Adjusted):*

Adjusted financial guidance for the fourth quarter of 2021 excludes stock-based compensation expense of \$2.2 million to \$2.4 million, amortization of acquisition-related intangible assets of approximately \$3.6 million, and any investment gains or losses.

- Adjusted operating margin of approximately 12.0% to 14.0%.
- Adjusted effective tax rate of 31%.
- Adjusted diluted earnings per share of approximately \$0.53 to \$0.59.

*Full-Year 2021 (GAAP):*

- Total revenues of approximately \$492.0 million to \$497.0 million.
- Operating margin of approximately 7.0% to 8.0%.
- Interest expense of approximately \$4.2 million.
- An effective tax rate of 27%.
- Earnings per share of approximately \$1.20 to \$1.26.

*Full-Year 2021 (Adjusted):*

Adjusted financial guidance for full-year 2021 excludes stock-based compensation expense of \$9.6 million to \$9.8 million, amortization of acquisition-related intangible assets of approximately \$15.2 million, integration costs of \$0.3 million, and any investment gains or losses.

- Adjusted operating margin of approximately 12.0% to 13.0%.
- Adjusted effective tax rate of 31%.
- Adjusted diluted earnings per share of approximately \$2.04 to \$2.10.

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## About Forrester

Forrester (Nasdaq: FORR) is one of the most influential research and advisory firms in the world. We help leaders across technology, marketing, customer experience, product, and sales 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 675,000 consumers, business leaders, and technology leaders worldwide; rigorous and objective research methodologies, including Forrester Wave evaluations; over 52 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 fourth quarter of and full-year 2021 and statements about the launch and performance of Forrester Decisions 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; Forrester's ability to fulfill existing or generate new consulting engagements and advisory services; technology spending; the impact of health epidemics, including COVID-19, on Forrester's business; Forrester's ability to respond to business and economic conditions and market trends; the risks and challenges inherent in international business activities, including the exit of the United Kingdom from the European Union; Forrester's ability to offer new products and services; Forrester's dependence on key personnel; Forrester's ability to attract and retain professional staff; 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 Income**

(Unaudited, in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
<b>Revenues:</b>				
Research	\$ 79,876	\$ 74,445	\$235,846	\$223,746
Consulting	37,393	33,001	116,903	98,464
Events	867	1,131	7,838	6,253
<b>Total revenues</b>	<b>118,136</b>	<b>108,577</b>	<b>360,587</b>	<b>328,463</b>
<b>Operating expenses:</b>				
Cost of services and fulfillment	49,836	46,125	149,571	133,442
Selling and marketing	41,340	42,209	123,175	121,599
General and administrative	14,383	12,475	41,895	35,936
Depreciation	2,342	2,544	6,887	7,398
Amortization of intangible assets	3,696	4,722	11,567	14,147
Integration costs	—	328	334	3,815
<b>Total operating expenses</b>	<b>111,597</b>	<b>108,403</b>	<b>333,429</b>	<b>316,337</b>
<b>Income from operations</b>	<b>6,539</b>	<b>174</b>	<b>27,158</b>	<b>12,126</b>
Interest expense	(1,056)	(1,259)	(3,251)	(4,104)
Other expense, net	(195)	(274)	(866)	(165)
Gains on investments	—	—	—	2,365
<b>Income (loss) before income taxes</b>	<b>5,288</b>	<b>(1,359)</b>	<b>23,041</b>	<b>10,222</b>
Income tax expense	766	2,401	6,220	2,658
<b>Net income (loss)</b>	<b>\$ 4,522</b>	<b>\$ (3,760)</b>	<b>\$ 16,821</b>	<b>\$ 7,564</b>
Basic income (loss) per common share	\$ 0.24	\$ (0.20)	\$ 0.88	\$ 0.40
Diluted income (loss) per common share	\$ 0.23	\$ (0.20)	\$ 0.87	\$ 0.40
Basic weighted average shares outstanding	19,134	18,872	19,107	18,779
Diluted weighted average shares outstanding	19,388	18,872	19,351	18,873
<b>Adjusted data (1):</b>				
<b>Total revenues - GAAP</b>	<b>\$118,136</b>	<b>\$108,577</b>	<b>\$360,587</b>	<b>\$328,463</b>
Deferred revenue fair value adjustment	—	80	—	402
<b>Adjusted revenues</b>	<b>\$118,136</b>	<b>\$108,657</b>	<b>\$360,587</b>	<b>\$328,865</b>
<b>Income from operations - GAAP</b>	<b>\$ 6,539</b>	<b>\$ 174</b>	<b>\$ 27,158</b>	<b>\$ 12,126</b>
Deferred revenue fair value adjustment	—	80	—	402
Amortization of intangible assets	3,696	4,722	11,567	14,147
Integration costs	—	328	334	3,815
Lease incentive	—	219	—	219
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	1,554	1,638	4,389	4,463
Selling and marketing	372	446	1,220	1,231
General and administrative	536	614	1,742	2,270
<b>Adjusted income from operations</b>	<b>\$ 12,697</b>	<b>\$ 8,221</b>	<b>\$ 46,410</b>	<b>\$ 38,673</b>

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		2021		2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<b>Net income (loss) - GAAP</b>	\$ 4,522	\$ 0.23	\$ (3,760)	\$ (0.20)	\$16,821	\$ 0.87	\$ 7,564	\$ 0.40
Deferred revenue fair value adjustment	—	—	80	—	—	—	402	0.02
Amortization of intangible assets	3,696	0.19	4,722	0.26	11,567	0.59	14,147	0.76
Integration costs	—	—	328	0.02	334	0.02	3,815	0.20
Lease incentive	—	—	219	0.01	—	—	219	0.01
Stock-based compensation	2,462	0.13	2,698	0.14	7,351	0.38	7,964	0.42
Gains on investments	—	—	—	—	—	—	(2,365)	(0.13)
Tax effects of items above (2)	(1,861)	(0.09)	(1,828)	(0.10)	(5,276)	(0.27)	(6,980)	(0.37)
Adjustment to tax expense for adjusted tax rate (3)	(921)	(0.05)	2,156	0.11	(1,615)	(0.08)	(1,027)	(0.05)
<b>Adjusted net income</b>	<b>\$ 7,898</b>	<b>0.41</b>	<b>\$ 4,615</b>	<b>\$ 0.24</b>	<b>\$29,182</b>	<b>1.51</b>	<b>\$23,739</b>	<b>\$ 1.26</b>
Diluted weighted average shares outstanding	19,388		18,963		19,351		18,873	

- (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, acquisition-related deferred revenue fair value adjustments, stock-based compensation, integration costs, lease incentive costs and credits, and net gains from investments, as well as their related tax effects. We also utilized an assumed tax rate of 31% in both 2021 and 2020, which excludes items such as any release of reserves for uncertain tax positions established in prior years, 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 31%.

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

(Unaudited, dollars in thousands)

	<u>September 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<b>Balance sheet data:</b>		
Cash, cash equivalents and marketable investments	\$ 146,350	\$ 90,257
Accounts receivable, net	\$ 52,317	\$ 84,695
Deferred revenue	\$ 194,164	\$ 179,968
Debt outstanding	\$ 100,000	\$ 109,375

	<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2021</u>	<u>2020</u>
<b>Cash flow data:</b>		
Net cash provided by operating activities	\$ 84,992	\$ 29,199
Purchases of property and equipment	\$ (9,845)	\$ (7,279)
Repayments of debt	\$ (9,375)	\$ (21,031)
Repurchases of common stock	\$ (10,646)	\$ —

	<u>As of</u> <u>September 30,</u>	
	<u>2021</u>	<u>2020</u>
<b>Metrics:</b>		
Contract value	\$ 331,030	\$ 295,646
Client retention	78%	71%
Wallet retention	99%	85%
Number of clients	2,964	2,750

	<u>As of</u> <u>September 30,</u>	
	<u>2021</u>	<u>2020</u>
<b>Headcount:</b>		
Total headcount	1,763	1,823
Sales force	648	716