

FORRESTER®

# Forrester 2021 Investor Summary

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**George Colony,**  
Chairman and CEO

**Michael Doyle,**  
Chief Financial Officer

**Scott Chouinard,**  
Chief Accounting Officer and Treasurer

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AT  
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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.

# Three Types of Research

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**Vision**

**Strategy**

**Execution**

# Client Executives

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**CIO and staff**

**CMO and staff**

# 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

**\$82 Billion**

# Forrester's Competitive Position

	Back Office Tech	Customer Tech
Subscription	Gartner	FORRESTER®
Consulting	Deloitte... Accenture...	Nielsen... WPP...



# Forrester's Global Reach

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**Offices and operations in 41 cities across 27 countries**

**1,700+ employees**

**2,697 clients**



# The Forrester Growth Engine

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Forrester is in  
three businesses

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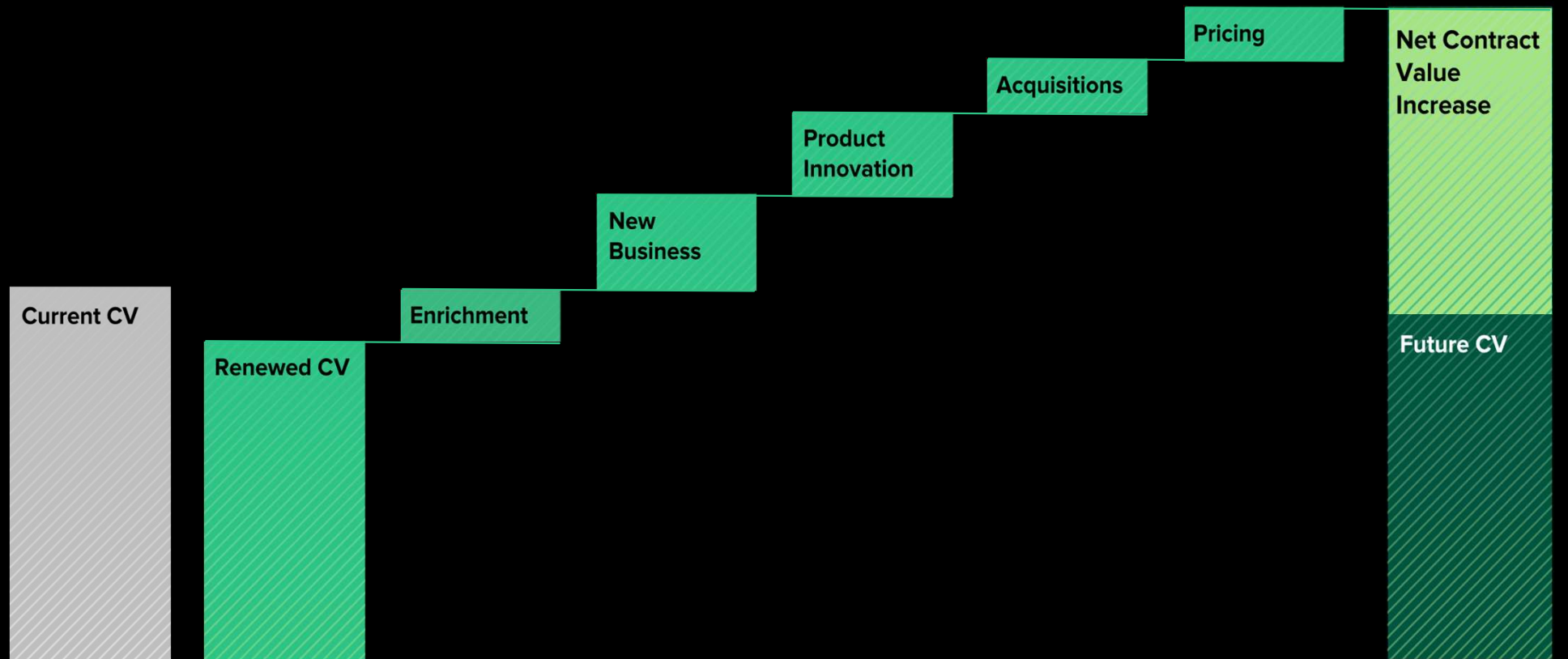
**Research**

**Consulting**

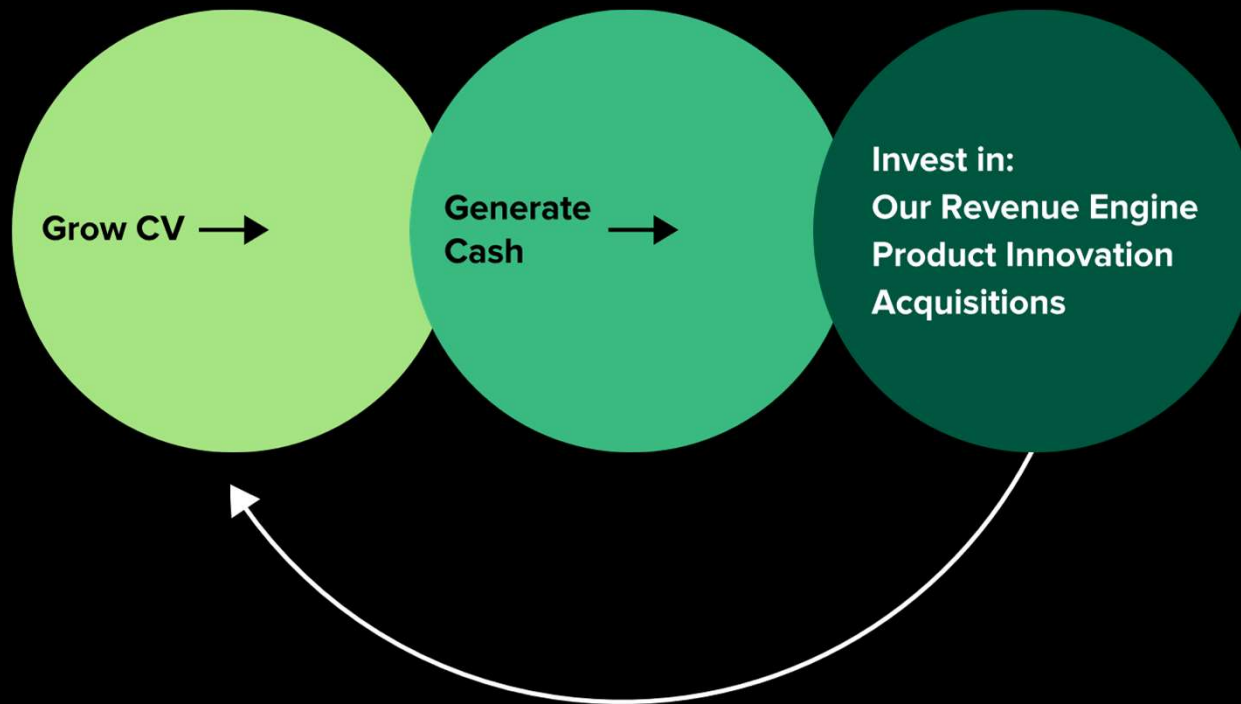
**Events**

The goal is to increase research  
Contract Value (CV) by double  
digits every year.

# Growing CV



# The Forrester Growth Engine



# Revenue Engine

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**Client Enrichment finished 2019 at 106%, 2020 at 100%.**

- **Saw steady improvement from low in Q2**

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

- **Productivity dipped in 2020 due to the pandemic**
- **Finished 2020 with highest number of ramped sales reps in Forrester history**

# Product Innovation

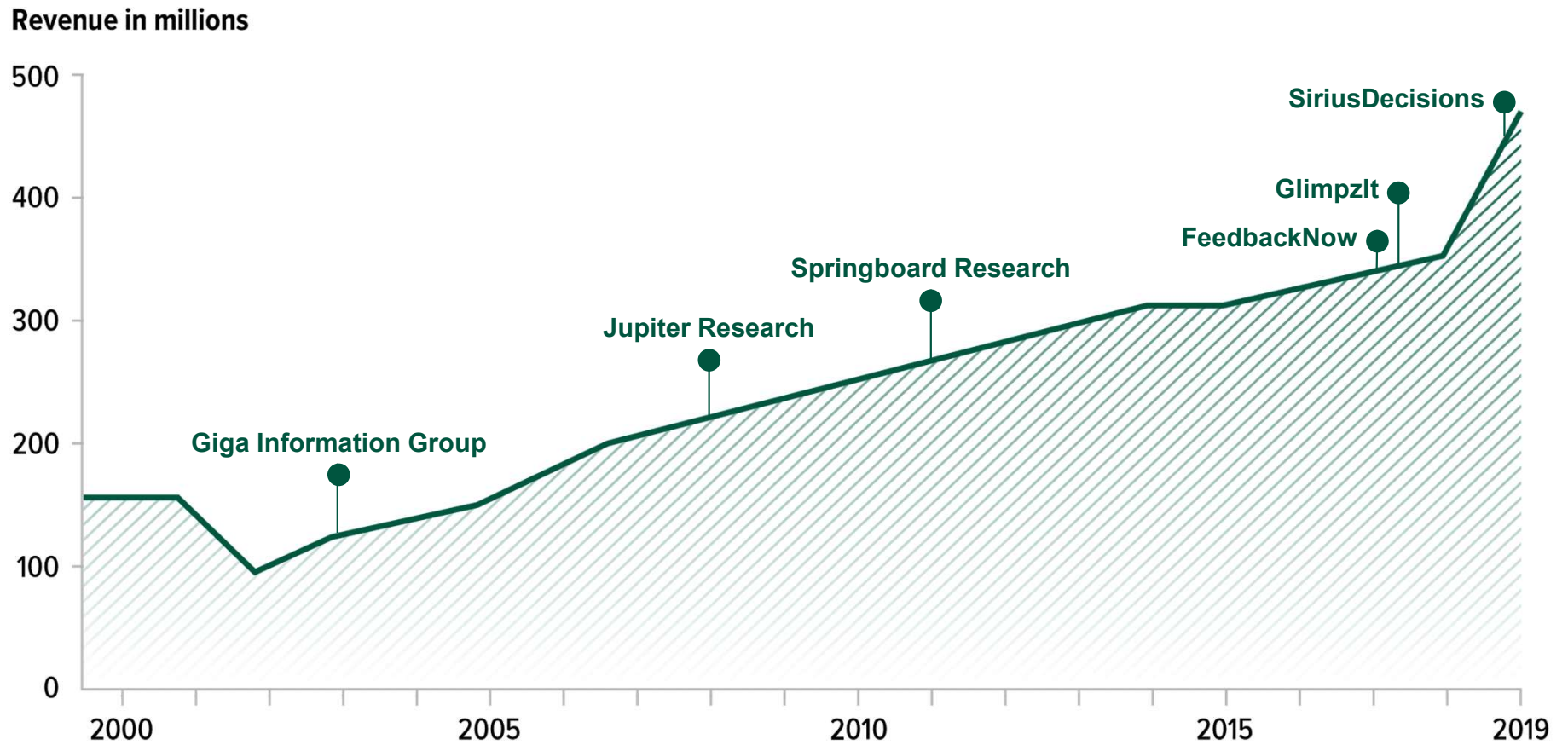
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**Continual improvement and  
digitization of existing products**

**Touchless FeedbackNow**



# Acquisitions



# Financial Overview

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# Pandemic Impact on Forrester

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**Events**

**Analyst advisory**

**General economic slowdown**

# Actions we implemented in 2020

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**Cut \$60 million in cost**

**In-depth pandemic research**

**Successfully pivoted Events to  
virtual**

**Maintained sales organization**

**Continued to invest for growth**

# Adjusted Income Statement – FY 2020

(in \$M)	FY 20	FY19	Y/Y \$Δ	Y/Y %Δ
Revenue	449.4	473.0	-23.5	-5%
Research Services	294.9	307.4	-12.5	-4%
Consulting Services	144.4	136.0	8.4	6%
Events	10.1	29.5	-19.4	-66%
Expenses	399.7	419.5	-19.8	-5%
Operating Income	49.7	53.4	-3.7	-7%
Operating Margin	11.1%	11.3%	-0.2%	-2%
Interest & Other Expense	-5.7	-8.6	2.9	-33%
Net Income	30.4	31.0	-0.6	-2%
EPS	\$1.60	\$1.65	-\$0.05	-3%
WASO	18.9	18.7	0.2	1%

# Client Metrics – Q4 2020

	Q4-18	Q4-19	Q4-20	Q3-20
<b>Agreement Value (in \$M)</b>	266.3	358.0	345.3	337.9
Y/Y growth	9.7%	34.4%	-3.5%	-4.8%
Sequential Q/Q growth	3.4%	0.8%	2.2%	-0.4%
<b>Deferred Revenue (in \$M)</b>	135.3	179.2	180.0	155.4
Y/Y growth	-6.8%	32.4%	0.4%	-7.5%
Sequential Q/Q growth	5.4%	6.7%	15.8%	-9.0%
<b>12 mo. Rolling Client Retention</b>	70.8%	71.9%	64.9%	65.1%
<b>12 mo. Rolling Dollar Retention</b>	89.6%	90.2%	88.3%	88.0%
<b>12 mo. Rolling Enrichment</b>	109.4%	105.8%	99.8%	97.8%
<b>Client Count</b>	2,353	2,880	2,697	2,660
Y/Y growth	-2.3%	22.4%	-6.4%	-7.2%

# 2021 Full Year Guidance – Adjusted

- Revenue: \$466MM to \$476MM
- Op. Margin: 10% to 11%
- EPS: \$1.50 to \$1.60
- Performance vs. PY: 4% to 6%
- Performance vs. PY: Flat to -1pts
- Performance vs. PY: Flat to -6%

# Summary

The pandemic created near-term pressure on Forrester, like most businesses, that impacted revenue and operating profit in 2020.

We finished 2020 strong beating revenue and EPS guidance:

- From a low in Q2 we saw steady, accelerating improvement in our business
- The decision to retain sales people paid off in the 2<sup>nd</sup> half of 2020 as businesses released budget and we were there to capitalize
- Our balance sheet remains in good shape as we finished 2020 with more cash than the beginning of the year a \$75 million revolving line of credit available.

We ended 2020 well positioned for double digit CV growth in 2021.



Thank You.

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