
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 24, 2017

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))

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 October 25, 2017, Forrester Research, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2017.

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 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 25, 2017, the Company also announced that its Board of Directors has approved a regular quarterly cash dividend of \$0.19 per share, to be paid on December 20, 2017 to shareholders of record on December 6, 2017.

Item 9.01. Financial Statements and Exhibits**(d) Exhibits**

99.1 [Press release dated October 25, 2017 with respect to financial results for the quarter ended September 30, 2017 and the approval of the Company’s 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

Date: October 25, 2017

Exhibit Index

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release dated October 25, 2017

Forrester Research Reports 2017 Third-Quarter Financial Results

Cambridge, Mass., October 25, 2017 . . . Forrester Research, Inc. (Nasdaq: FORR) today announced its 2017 third-quarter financial results.

Third-Quarter Financial Performance

Total revenues were \$80.4 million for the third quarter of 2017, compared with \$77.4 million for the third quarter of 2016. Research revenues increased 3%, and advisory services and events revenues increased 6%, compared with the third quarter of 2016.

On a GAAP basis, net income was \$4.0 million, or \$0.22 per diluted share, for the third quarter of 2017, compared with net income of \$3.1 million, or \$0.17 per diluted share, for the same period in 2016.

On a pro forma basis, net income was \$5.6 million, or \$0.31 per diluted share, for the third quarter of 2017, which reflects a pro forma effective tax rate of 40%. Pro forma net income excludes stock-based compensation of \$2.2 million, amortization of acquisition-related intangible assets of \$0.2 million, and net investment losses of \$0.8 million. This compares with pro forma net income of \$6.0 million, or \$0.32 per diluted share, for the same period in 2016, which reflects a pro forma tax rate of 40%. Pro forma net income for the third quarter of 2016 excludes stock-based compensation of \$2.0 million, amortization of acquisition-related intangible assets of \$0.2 million, and net investment losses of \$1.1 million.

“Forrester was at the upper end of revenue guidance while exceeding pro forma operating margin and EPS guidance for the third quarter of 2017,” said George F. Colony, Forrester’s chairman and chief executive officer. “We remain positive about our strategy and growth.”

Forrester is providing fourth-quarter 2017 financial guidance as follows:

Fourth-Quarter 2017 (GAAP):

- Total revenues of approximately \$83.0 million to \$86.0 million.
- Operating margin of approximately 6.8% to 8.8%.
- Other income (expense), net of zero.
- An effective tax rate of 40%.
- Diluted earnings per share of approximately \$0.20 to \$0.24.

Fourth-Quarter 2017 (Pro Forma):

Pro forma financial guidance for the fourth quarter of 2017 excludes stock-based compensation expense of \$2.0 million to \$2.2 million, amortization of acquisition-related intangible assets of approximately \$0.2 million, and any investment gains or losses.

- Pro forma operating margin of approximately 9.5% to 11.5%.
- Pro forma effective tax rate of 40%.
- Pro forma diluted earnings per share of approximately \$0.27 to \$0.31.

Our full-year 2017 guidance is as follows:

Full-Year 2017 (GAAP):

- Total revenues of approximately \$330.0 million to \$333.0 million.
- Operating margin of approximately 7.7% to 8.7%.
- Other income, net of \$0.2 million.
- An effective tax rate of 35%.
- Diluted earnings per share of approximately \$0.90 to \$0.94.

Full-Year 2017 (Pro Forma):

Pro forma financial guidance for full-year 2017 excludes stock-based compensation expense of \$8.4 million to \$8.6 million, amortization of acquisition-related intangible assets of approximately \$0.8 million, and any investment gains or losses.

- Pro forma operating margin of approximately 10.5% to 11.5%.
- Pro forma effective tax rate of 40%.
- Pro forma diluted earnings per share of approximately \$1.17 to \$1.21.

Quarterly Dividend

Forrester also announced today that its board of directors has approved a quarterly cash dividend of \$0.19 per share, payable December 20, 2017, to shareholders of record on December 6, 2017.

About Forrester Research

Forrester Research is one of the most influential research and advisory firms in the world. We work with business and technology leaders to develop customer-obsessed strategies that drive growth. Forrester's unique insights are grounded in annual surveys of more than 675,000 consumers and business leaders worldwide, rigorous and objective methodologies, and the shared wisdom of our most innovative clients. Through proprietary research, data, custom consulting, exclusive executive peer groups, and events, the Forrester experience is about a singular and powerful purpose: to challenge the thinking of our clients to help them lead change in their organizations. For more information, visit 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 2017, statements about the success of operational improvements, 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, demand for advisory and consulting services, technology spending, Forrester's ability to respond to business and economic conditions and market trends, Forrester's ability to develop and offer new products and services, 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, Forrester's ability to realize the anticipated benefits from recent internal reorganizations, the possibility of network disruptions and security breaches, Forrester's ability to enforce and protect its intellectual property, and possible variations in Forrester's quarterly operating results. 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		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Revenues:				
Research services	\$54,235	\$52,727	\$160,553	\$160,998
Advisory services and events	26,134	24,700	86,743	81,651
Total revenues	80,369	77,427	247,296	242,649
Operating expenses:				
Cost of services and fulfillment	32,508	29,889	100,814	95,429
Selling and marketing	29,225	27,751	90,355	87,490
General and administrative	10,083	10,086	30,672	30,359
Depreciation	1,607	1,941	4,775	5,982
Amortization of intangible assets	197	208	582	627
Reorganization costs	—	—	—	1,026
Total operating expenses	73,620	69,875	227,198	220,913
Income from operations	6,749	7,552	20,098	21,736
Other income, net	146	229	248	374
Losses on investments, net	(772)	(1,085)	(997)	(1,139)
Income before income taxes	6,123	6,696	19,349	20,971
Income tax provision	2,170	3,584	6,302	9,110
Net income	\$ 3,953	\$ 3,112	\$ 13,047	\$ 11,861
Diluted income per common share	<u>\$ 0.22</u>	<u>\$ 0.17</u>	<u>\$ 0.72</u>	<u>\$ 0.65</u>
Diluted weighted average shares outstanding	<u>18,051</u>	<u>18,435</u>	<u>18,212</u>	<u>18,168</u>
Basic income per common share	<u>\$ 0.22</u>	<u>\$ 0.17</u>	<u>\$ 0.73</u>	<u>\$ 0.66</u>
Basic weighted average shares outstanding	<u>17,747</u>	<u>18,062</u>	<u>17,897</u>	<u>17,896</u>
Pro forma data (1):				
Income from operations	\$ 6,749	\$ 7,552	\$ 20,098	\$ 21,736
Amortization of intangible assets	197	208	582	627
Reorganization costs	—	—	—	1,026
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	1,088	1,077	3,387	3,141
Selling and marketing	170	272	535	695
General and administrative	920	622	2,501	1,895
Pro forma income from operations	9,124	9,731	27,103	29,120
Other income, net	146	229	248	374
Pro forma income before income taxes	9,270	9,960	27,351	29,494
Pro forma income tax provision	3,708	3,984	10,940	11,798
Pro forma net income	\$ 5,562	\$ 5,976	\$ 16,411	\$ 17,696
Pro forma diluted income per share	<u>\$ 0.31</u>	<u>\$ 0.32</u>	<u>\$ 0.90</u>	<u>\$ 0.97</u>
Pro forma diluted weighted average shares outstanding	<u>18,051</u>	<u>18,435</u>	<u>18,212</u>	<u>18,168</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 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>2017</u>	<u>December 31,</u> <u>2016</u>
Balance sheet data:		
Cash, cash equivalents and marketable investments	\$ 133,979	\$ 138,105
Accounts receivable, net	\$ 39,481	\$ 58,812
Deferred revenue	\$ 132,929	\$ 134,265
	Nine Months Ended September 30,	
	<u>2017</u>	<u>2016</u>
Cash flow data:		
Net cash provided by operating activities	\$ 36,863	\$ 38,305
Purchases of property and equipment	\$ (5,806)	\$ (3,334)
Repurchases of common stock	\$ (39,967)	\$ —
Dividends paid	\$ (10,205)	\$ (9,696)
	As of September 30,	
	<u>2017</u>	<u>2016</u>
Metrics:		
Agreement value	\$ 237,800	\$ 241,100
Client retention	76%	76%
Dollar retention	88%	88%
Enrichment	94%	95%
Number of clients	2,393	2,482
	As of September 30,	
	<u>2017</u>	<u>2016</u>
Headcount:		
Total headcount	1,374	1,332
Research and consulting staff	510	488
Sales force	530	514