

Forrester Research, Inc.
Consolidated Statements of Income

(Unaudited, in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2017	2016
Revenues:		
Research services	\$ 51,743	\$ 53,248
Advisory services and events	25,451	24,153
Total revenues	77,194	77,401
Operating expenses:		
Cost of services and fulfillment	31,396	31,123
Selling and marketing	30,622	30,404
General and administrative	10,170	9,973
Depreciation	1,679	1,965
Amortization of intangible assets	191	209
Reorganization costs	-	1,015
Total operating expenses	74,058	74,689
Income from operations	3,136	2,712
Other income (expense), net	9	(328)
Losses on investments, net	(203)	-
Income before income taxes	2,942	2,384
Income tax provision (benefit)	(88)	1,095
Net income	\$ 3,030	\$ 1,289
Diluted income per common share	\$ 0.16	\$ 0.07
Diluted weighted average shares outstanding	18,536	17,925
Basic income per common share	\$ 0.17	\$ 0.07
Basic weighted average shares outstanding	18,230	17,762
Pro forma data (1):		
Income from operations	\$ 3,136	\$ 2,712
Amortization of intangible assets	191	209
Reorganization costs	-	1,015
Stock-based compensation included in the following expense categories:		
Cost of services and fulfillment	1,197	1,194
Selling and marketing	162	314
General and administrative	690	627
Pro forma income from operations	5,376	6,071
Other income (expense), net	9	(328)
Pro forma income before income taxes	5,385	5,743
Pro forma income tax provision	2,154	2,297
Pro forma net income	\$ 3,231	\$ 3,446
Pro forma diluted income per share	\$ 0.17	\$ 0.19
Pro forma diluted weighted average shares outstanding	18,536	17,925

(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

Forrester Research, Inc.
Key Financial Data

(Unaudited, dollars in thousands)

	March 31, 2017	December 31, 2016
Balance sheet data:		
Cash, cash equivalents and marketable investments	\$ 134,593	\$ 138,105
Accounts receivable, net	\$ 55,029	\$ 58,812
Deferred revenue	\$ 156,256	\$ 134,265

	March 31, 2017	March 31, 2016
Cash flow data:		
Net cash provided by operating activities	\$ 19,454	\$ 21,576
Purchases of property and equipment	\$ (1,540)	\$ (1,144)
Repurchases of common stock	\$ (21,453)	\$ -
Dividends paid	\$ (3,462)	\$ (3,201)

	As of March 31, 2017	As of March 31, 2016
Metrics:		
Agreement value	\$ 236,600	\$ 240,500
Client retention	74%	77%
Dollar retention	87%	88%
Enrichment	94%	97%
Number of clients	2,427	2,477

	As of March 31, 2017	As of March 31, 2016
Headcount:		
Total headcount	1,375	1,322
Research and consulting staff	512	484
Sales force	535	516