

**Forrester Research, Inc.**  
**Consolidated Statements of Income**

(Unaudited, In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
<b>Revenues:</b>				
Research services	\$ 58,300	\$ 54,575	\$ 110,000	\$ 106,318
Advisory services and events	38,053	35,158	64,102	60,609
<b>Total revenues</b>	<b>96,353</b>	<b>89,733</b>	<b>174,102</b>	<b>166,927</b>
<b>Operating expenses:</b>				
Cost of services and fulfillment	39,071	36,910	73,176	68,306
Selling and marketing	32,709	30,508	65,720	61,130
General and administrative	10,940	10,419	21,679	20,589
Depreciation	2,095	1,489	4,091	3,168
Amortization of intangible assets	182	194	368	385
Acquisition and integration costs	329	—	329	—
<b>Total operating expenses</b>	<b>85,326</b>	<b>79,520</b>	<b>165,363</b>	<b>153,578</b>
<b>Income from operations</b>	<b>11,027</b>	<b>10,213</b>	<b>8,739</b>	<b>13,349</b>
Other income, net	271	93	153	102
Losses on investments	(20)	(22)	(45)	(225)
<b>Income before income taxes</b>	<b>11,278</b>	<b>10,284</b>	<b>8,847</b>	<b>13,226</b>
Income tax expense	3,490	4,220	2,792	4,132
<b>Net income</b>	<b>\$ 7,788</b>	<b>\$ 6,064</b>	<b>\$ 6,055</b>	<b>\$ 9,094</b>
Diluted income per common share	\$ 0.43	\$ 0.34	\$ 0.33	\$ 0.50
Diluted weighted average shares outstanding	18,290	18,050	18,313	18,293
Basic income per common share	\$ 0.43	\$ 0.34	\$ 0.34	\$ 0.51
Basic weighted average shares outstanding	17,965	17,715	18,001	17,973
<b>Pro forma data (1):</b>				
Income from operations	\$ 11,027	\$ 10,213	\$ 8,739	\$ 13,349
Amortization of intangible assets	182	194	368	385
Acquisition and integration costs	329	—	329	—
Stock-based compensation included in the following expense categories:				
Cost of services and fulfillment	1,107	1,103	2,127	2,299
Selling and marketing	247	202	491	364
General and administrative	754	891	1,453	1,582
<b>Pro forma income from operations</b>	<b>13,646</b>	<b>12,603</b>	<b>13,507</b>	<b>17,979</b>
Other income, net	271	93	153	102
Pro forma income before income taxes	13,917	12,696	13,660	18,081
Income tax expense GAAP	3,490	4,220	2,792	4,132
Tax effects of pro forma items (2)	603	900	1,131	1,815
Adjustment to tax expense to reflect pro forma tax rate (3)	221	(42)	312	1,285
<b>Pro forma net income</b>	<b>\$ 9,603</b>	<b>\$ 7,618</b>	<b>\$ 9,425</b>	<b>\$ 10,849</b>
Pro forma diluted income per share	\$ 0.53	\$ 0.42	\$ 0.51	\$ 0.59
Pro forma diluted weighted average shares outstanding	18,290	18,050	18,313	18,293

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

(Unaudited, dollars in thousands)

	June 30, 2018	December 31, 2017
<b>Balance sheet data:</b>		
Cash, cash equivalents and marketable investments	\$ 143,087	\$ 134,123
Accounts receivable, net	\$ 49,486	\$ 70,023
Deferred revenue	\$ 143,023	\$ 145,207
<b>Six Months Ended</b>		
<b>June 30,</b>		
	2018	2017
<b>Cash flow data:</b>		
Net cash provided by operating activities	\$ 28,286	\$ 26,893
Purchases of property and equipment	\$ (2,544)	\$ (3,240)
Repurchases of common stock	\$ (9,642)	\$ (36,426)
Dividends paid	\$ (7,196)	\$ (6,815)
<b>As of</b>		
<b>June 30,</b>		
	2018	2017
<b>Metrics:</b>		
Agreement value	\$ 249,500	\$ 236,700
Client retention	75%	75%
Dollar retention	88%	87%
Enrichment	99%	94%
Number of clients	2,355	2,417
<b>As of</b>		
<b>June 30,</b>		
	2018	2017
<b>Headcount:</b>		
Total headcount	1,402	1,381
Products and advisory services staff	539	521
Sales force	520	538