

SAPIENS INTERNATIONAL CORP N V
Form 6-K
March 07, 2012

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 6-K

Report of Foreign Issuer

**Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934**

For the month of March 2012

Commission File Number 000-20181

Sapiens International Corporation N.V.
(translation of registrant's name into English)

c/o Landhuis Joonchi

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F S Form 40-F £

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2 (b) under the Securities Exchange Act of 1934

Yes £ No S

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____.

Sapiens 2011 Revenue Increases 34% to \$70 Million

2011 Non-GAAP Net Income Grows 22% to \$9.4 Million;

REHOVOT, Israel, March 7, 2012 -- Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS), a provider of innovative insurance software solutions and a member of the Formula Group (NASDAQ: FORTY and TASE: FORT), announces its financial results for the fourth quarter and full year ended December 31, 2011.

Fourth Quarter Year-over-Year Highlights include:

- Revenue increased 68% to \$24.6 million, compared to \$14.7 million in the fourth quarter of 2010;
- Non-GAAP net income increased 27% to \$2.8 million compared to \$2.2 million for fourth quarter of 2010;

Full Year 2011 Highlights include:

- Full year revenue increased 34% to \$70.0 million, compared to \$52.2 million in 2010;
- Non-GAAP operating income increased 11% to \$9.2 million, compared to \$8.3 million
- Non-GAAP net income increased 22% to \$9.4 million, compared to \$7.7 million in 2010;

End of year cash and cash equivalent reached \$21 million, no debt, with total equity of \$115 million, representing 73% of total balance sheet

Roni Al Dor, CEO of Sapiens International, commented, “As expected, 2011 was a good year of performance for Sapiens, setting the stage for us to capitalize on growth trends in the insurance industry. Our revenue grew organically and non-organically by 34%. Our 2011 net income GAAP reach \$5.9 million, compared to \$6.2 million last year. This mainly due to the one-time restructuring and related transaction expenses following the merger that we have

completed during the third quarter of 2011; on a non-GAAP basis we showed growth of 22% on our net profit.”

“With our operations worldwide, over 70 top-tier insurance customers in multiple geographic markets, a proven track record, and regulation-compliant solutions to handle domestic and overseas expansion, I firmly believe Sapiens will grow to be recognized as a leader in the industry.” Mr. Al-Dor continued. “Sapiens products and customers have been recognized for their business, technology and functionality excellence, winning excellent awards by industry analysts.”

Mr. Al Dor concluded, “Looking ahead to 2012, we expect to cross the \$100 million revenue bar.”

Reconciliation between U.S. GAAP and Non-GAAP results is summarized in the following table.

For a complete reconciliation, please refer to the tables at the end of this release.

(U.S. Dollars in thousands, except per share amounts)

| | For the three months ended | | For the years ended | |
|----------------------------|----------------------------|-------------|---------------------|-------------|
| | 31/12/2013 | 31/12/2010 | 31/12/2013 | 31/12/2010 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenues | 24,586 | 14,667 | 69,927 | 52,235 |
| Operating profit | 864 | 1,938 | 5,624 | 6,711 |
| Net income | 1,044 | 1,706 | 5,897 | 6,152 |
| Basic earnings per share | 0.03 | 0.08 | 0.21 | 0.29 |
| Diluted earnings per share | 0.02 | 0.07 | 0.19 | 0.28 |
| Non GAAP | | | | |
| Revenues | 24,586 | 14,667 | 69,927 | 52,235 |
| Operating profit | 2,635 | 2,408 | 9,224 | 8,306 |
| Net income | 2,761 | 2,156 | 9,377 | 7,692 |
| Basic earnings per share | 0.07 | 0.10 | 0.33 | 0.36 |
| Diluted earnings per share | 0.07 | 0.09 | 0.31 | 0.35 |

About Sapiens International

Sapiens International Corporation (NASDAQ and TASE: SPNS), is a global provider of innovative business solutions for the insurance industry, helping to modernize business processes, to proactively define and provide innovative new services and to respond quickly to changes in the industry. We offer end to end solutions for the L&P, P&C and Reinsurance markets, with customers across the globe. We jointly serve over 70 insurance customers, backed by a team of over 700 insurance experts. Coupled with our financial stability, Sapiens aims to become the vendor of choice in the insurance software marketplace. For more information about Sapiens, visit <http://www.sapiens.com>.

Except for historical information contained herein, the matters set forth in this release are forward-looking statements that are dependent on certain risks and uncertainties, including such factors, among others, as market acceptance, market demand, pricing, changing regulatory environment, changing economic conditions, risks in new product and service development, the effect of accounting policies, specific system configurations and software needs of individual customers and other risk factors.

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SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

| | 31/12/2011 (Unaudited) | 31/12/2010 (Unaudited) |
|--|---------------------------|---------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 21,460 | \$ 16,182 |
| Restricted cash | 456 | - |
| Trade receivables, net | 14,484 | 5,511 |
| Other current assets | 3,485 | 3,031 |
| Total current assets | 39,885 | 24,724 |
| Property and equipment, net | 1,814 | 1,161 |
| Other assets, net | 115,779 | 32,834 |
| Total assets | \$ 157,478 | \$ 58,719 |
| Liabilities and shareholders' equity | | |
| Trade payables | \$ 3,233 | \$ 1,693 |
| Other liabilities and accrued expenses | 18,985 | 11,646 |
| Deferred revenue | 9,584 | 6,517 |
| Total current liabilities | 31,802 | 19,856 |
| Long-term debt and other long-term liabilities | 10,954 | 4,745 |
| Shareholders' equity | 114,722 | 34,118 |
| Total liabilities and shareholders' equity | \$ 157,478 | \$ 58,719 |

SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Statements of Operations

(U.S. Dollars in thousands, except per share amounts)

| | For the three months ended | | For the years ended | |
|---|----------------------------|------------|---------------------|------------|
| | 31/12/2011 | 31/12/2010 | 31/12/2011 | 31/12/2010 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Revenues | \$24,586 | \$ 14,667 | \$69,927 | \$ 52,235 |
| Cost of revenues | \$15,354 | \$ 8,176 | \$40,067 | \$ 29,921 |
| Gross Profit | 9,232 | 6,491 | 29,860 | 22,314 |
| Operating expenses | | | | |
| Research and development, net | \$1,126 | \$ 979 | \$5,008 | \$ 3,293 |
| Selling, marketing, general and administrative | \$6,517 | \$ 3,574 | \$18,113 | \$ 12,310 |
| Restructuring and other related transaction costs | \$725 | \$ - | \$1,115 | \$ - |
| Operating Profit | 864 | 1,938 | 5,624 | 6,711 |
| Financial expenses (income), net | \$20 | \$ 307 | \$(155) | \$ 364 |
| Other expenses (income), net | \$(205) | \$(117) | \$(164) | \$ 177 |
| Net Income | \$1,049 | \$ 1,748 | \$5,943 | \$ 6,170 |
| Attribute table to non-controlling interest | \$5 | \$ 42 | \$46 | \$ 18 |
| Net income attributable to Sapiens | \$1,044 | \$ 1,706 | \$5,897 | \$ 6,152 |
| Earnings per share | | | | |
| Basic | \$0.03 | \$ 0.08 | \$0.21 | \$ 0.29 |
| Diluted | \$0.02 | \$ 0.07 | \$0.19 | \$ 0.28 |
| Weighted average number of shares used to computation of earnings per share | | | | |
| Basic | 39,647 | 22,058 | 28,461 | 21,583 |
| Diluted | 41,955 | 22,846 | 30,361 | 22,181 |

SAPIENS INTERNATIONAL CORPORATION N.V.

Reconciliation of GAAP to Non-GAAP results

(U.S. Dollars in thousands, except per share amounts)

| | For the three months ended | | For the years ended | |
|---|----------------------------|---------------------------|---------------------------|---------------------------|
| | 31/12/2013 (Unaudited) | 31/12/2010 (Unaudited) | 31/12/2013 (Unaudited) | 31/12/2010 (Unaudited) |
| GAAP operating profit | 864 | 1,938 | 5,624 | 6,711 |
| Amortization of intangibles assets and compensation related to acquisition | 1,003 | 444 | 2,293 | 701 |
| Amortization of capitalized software | 1,227 | 1,563 | 4,544 | 5,869 |
| Capitalization of software development | (1,287) | (1,622) | (4,687) | (5,387) |
| Stock-based compensation | 104 | 85 | 335 | 412 |
| Restructuring and other related transaction costs | 725 | - | 1,115 | - |
| Total adjustments to GAAP | 1,772 | 470 | 3,600 | 1,595 |
| Non-GAAP operating profit | 2,635 | 2,408 | 9,224 | 8,306 |
| GAAP net income | 1,044 | 1,706 | 5,897 | 6,152 |
| Total adjustments to GAAP as above | 1,772 | 470 | 3,600 | 1,595 |
| Non-controlling interest in amortization intangible assets | (35) | - | (35) | - |
| Deferred taxes related to acquisition | (20) | (20) | (85) | (55) |
| Non-GAAP net income | 2,761 | 2,156 | 9,377 | 7,692 |
| Non-GAAP basic earnings per share | 0.07 | 0.10 | 0.33 | 0.36 |
| Non-GAAP diluted earnings per share | 0.07 | 0.09 | 0.31 | 0.35 |
| Weighted average number of shares used to computation of earnings per share | | | | |
| Basic | 39,647 | 22,058 | 28,461 | 21,583 |
| Diluted | 41,955 | 22,846 | 30,361 | 22,181 |

SIGNATURE

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, thereunto duly authorized.

**Sapiens International
Corporation N.V.**
(Registrant)

Date: March 07, 2012 By: /s/ Roni Giladi
Roni Giladi
Chief Financial Officer