

SAPIENS INTERNATIONAL CORP N V
Form 6-K
November 14, 2007

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 November 2007

Commission File Number 000-20181

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

c/o Landhuis Joonchi

**Kaya Richard J. Beaujon z/n
P.O. Box 837**

**Willemstad
Curaçao, Netherlands Antilles
(599) (9) 7366277**

(address of principal executive offices)

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 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

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

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SAPIENS ANNOUNCES Q3 2007 RESULTS

Company Reports Fourth Consecutive Quarter of Operational Profit

Cary, N.C. November 14, 2007 - Sapiens International Corporation N.V. (NASDAQ and TASE: SPNS), a member of the Emblaze/Formula Group (LSE:BLZ.L) (NASDAQ: FORTY and TASE: FORT), announces today its results of operations for the third quarter of 2007.

Financial Highlights

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Fourth consecutive quarter of Operational Profit

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Completion of final proceeds of \$20 million private placement

U.S. GAAP

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Q3 2007 Operating Profit increased to \$185,000, up from Q3 2006 Operating Loss of \$210,000

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Q3 2007 Net Loss reduced significantly to \$288,000, down from Q3 2006 Net Loss of \$623,000, the Company's net results of operations would have been break-even, absent the devaluation of the US Dollar against the New Israeli Shekel

Non-GAAP

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Q3 2007 Operating Profit of \$445,000, a significant improvement over the Q2 2007 Operating Loss of \$57,000

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Net results of operations in Q3 2007 are break-even, an improvement of over \$900,000 from Q2 2007

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U.S. GAAP results include amortization of capitalized software developments, capitalization of software development costs, and stock-based compensation expenses.

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

| U.S. GAAP | Q3 2007 | Q2 2007 | Q3 2006 |
|---|--------------------|--------------------|--------------------|
| Revenues | 10,532 | 10,680 | 11,302 |
| Operating profit (loss) | 185 | 162 | (210) |
| Net loss | (288) | (715) | (623) |
| Basic and diluted profit (loss) per share | (0.01) | (0.05) | (0.05) |
| Non-GAAP | Q3 2007 | Q2 2007 | Q3 2006 |
| Revenues | 10,532 | 10,680 | 11,302 |
| Operating profit (loss) | 445 | (57) | (162) |
| Net loss | (28) | (934) | (575) |
| Basic and diluted profit (loss) per share | 0.00 | (0.06) | (0.04) |

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Operational Highlights

- Launch of solution for Israeli pension funds, first customer to be Helman Aldubi
- Signed approximately \$2.0 million with an existing UK customer for license and migration services
- Alliances with new partners in the US to increase sales
- Improvement of internal processes and utilization worldwide, at all offices, to streamline with new focus

Roni Al-Dor, President and CEO, commented "We proudly report our fourth consecutive quarter of operational profit. With the \$20 million private placement behind us, and our new CFO and new VP of R&D firmly in place, we are ready to expand and grow. I am particularly excited by, and proud of, our existing customers who have entered into new agreements with us for the porting and migration of the Sapiens solution to new platforms. We will capitalize on our unique position to grow with our existing customers and to capture new customers in the multi-billion dollar insurance markets."

Comment Regarding Non-GAAP

Sapiens' management believes that the presentation of Non-GAAP measures can enhance the understanding of the company's ongoing economic performance, and provides useful information to investors regarding financial and business trends relating to the company's financial condition and results of operations. Sapiens therefore uses internally the Non-GAAP information to evaluate and manage the Company's operations.

These non-GAAP financial measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. Sapiens

believes that non-GAAP financial measures have limitations in that they do not reflect all of the amounts associated with Sapiens' results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate Sapiens' results of operations in conjunction with the corresponding GAAP measures.

Please refer to the Reconciliation of GAAP to Non-GAAP Results at the end of this release.

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FOR ADDITIONAL INFORMATION:

Roni Giladi

Roni Al-Dor

Chief Financial Officer

Chief Executive Officer

Sapiens International

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About Sapiens International

Sapiens International Corporation N.V. (Nasdaq and TASE: SPNS), a member of Formula Group (Nasdaq: FORTY and TASE: FORT), which is a member of the Emblaze Group (LSE: BLZ.L) is a leading global provider of proven IT solutions that modernize business processes and enable insurance organizations to adapt quickly to change. Sapiens' innovative solutions are widely recognized for their ability to cost-effectively align IT with the business demands for speed, flexibility and efficiency. Sapiens operates through its subsidiaries in North America, the United Kingdom, EMEA and Asia Pacific, and has partnerships with market leaders such as IBM and EDS. Sapiens' clients include AXA, ING, Liverpool Victoria, Menora Mivtachim, Norwich Union, Occidental Fire & Casualty, OneBeacon, Principal Financial Group, Prudential, Santam and Texas Farm Bureau among others. For more information, please 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 the Company's accounting policies, specific system configurations and software needs of individual customers and other risk factors detailed in the Company's SEC filings.

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SAPIENS INTERNATIONAL CORPORATION N.V.

Condensed Consolidated Balance Sheets

(U.S. Dollars in thousands)

| | 9/30/2007 (Unaudited) | 12/31/2006 (Audited) |
|---|--------------------------|-------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 16,624 | \$ 3,108 |
| Short-term investments | 42 | 32 |
| Trade receivables, net | 10,228 | 11,010 |
| Other current assets | 1,913 | 1,689 |
| Total current assets | 28,807 | 15,839 |
| Property and equipment, net | 1,279 | 1,495 |
| Other assets, net | 28,557 | 28,285 |
| Total assets | \$ 58,643 | \$ 45,619 |
| Liabilities and shareholders' equity | | |
| Short-term bank credit and current maturities of long-term debt and convertible debentures | \$ 9,695 | \$ 15,603 |
| Trade payables | 1,134 | 2,019 |
| Other liabilities and accrued expenses | 8,770 | 7,370 |
| Deferred revenue | 5,591 | 3,463 |
| Total current liabilities | 25,190 | 28,455 |
| Long-term debt and other long-term liabilities | 1,808 | 1,439 |
| Convertible debentures and warrants | 9,148 | 11,796 |

| | | |
|---|------------------|------------------|
| Shareholders' equity | 22,497 | 3,929 |
| Total liabilities and shareholders' equity | \$ 58,643 | \$ 45,619 |

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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 nine months ended | |
|--|----------------------------|--------------------------|---------------------------|--------------------------|
| | 9/30/2007 (Unaudited) | 9/30/2006 (Unaudited) | 9/30/2007 (Unaudited) | 9/30/2006 (Unaudited) |
| Revenues | | | | |
| Products | \$ 1,137 | \$ 2,179 | \$ 5,036 | \$ 8,030 |
| Consulting and other services | \$ 9,395 | 9,123 | 27,183 | 25,068 |
| Total revenues | 10,532 | 11,302 | 32,219 | 33,098 |
| Cost of revenues | | | | |
| Products | \$ 519 | 1,471 | 3,052 | 4,993 |
| Consulting and other services | \$ 6,054 | 5,799 | 17,446 | 16,489 |
| Total cost of revenues | 6,573 | 7,270 | 20,498 | 21,482 |
| Gross Profit | 3,959 | 4,032 | 11,721 | 11,616 |
| Operating expenses | | | | |
| Research and development, net | \$ 703 | 682 | 1,679 | 1,968 |
| Selling, marketing, general and administrative | \$ 3,071 | 3,535 | 9,336 | 10,304 |
| Restructuring expenses | \$ - | 25 | 210 | 681 |
| Operating Profit (Loss) | 185 | (210) | 496 | (1,337) |
| Financial expenses, net | \$ (515) | (372) | (1,631) | (1,586) |
| Other income (expenses), net (b) | \$ 42 | (41) | (273) | (135) |
| Net Loss | \$ 288 | \$ 623 | \$ 1,408 | \$ 3,058 |
| Basic and diluted loss per share (c) | \$ 0.01 | \$ 0.05 | \$ 0.08 | \$ 0.24 |
| Weighted average shares used to compute basic and diluted loss per share (c) | 20,853 | 13,707 | 17,095 | 12,909 |

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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 nine months ended | |
|--|----------------------------|--------------------------|---------------------------|--------------------------|
| | 9/30/2007 (Unaudited) | 9/30/2006 (Unaudited) | 9/30/2007 (Unaudited) | 9/30/2006 (Unaudited) |
| GAAP operating profit (loss) | 185 | (210) | 496 | (1,337) |
| Amortization of capitalized software developments | 1,059 | 1,172 | 3,127 | 3,404 |
| Capitalization of software developments | (849) | (1,124) | (3,324) | (3,553) |
| Stock-based compensation | 50 | - | 87 | - |
| Total adjustments to GAAP | 260 | 48 | (110) | (149) |
| Non-GAAP operating profit (loss) | 445 | (162) | 386 | (1,486) |
| GAAP net income (loss) | (288) | (623) | (1,408) | (3,058) |
| Total adjustments to GAAP as above | 260 | 48 | (110) | (149) |
| Non-GAAP net income (loss) | (28) | (575) | (1,518) | (3,207) |
| Non-GAAP basic and diluted profit (loss) per share (c) | 0.00 | (0.04) | (0.09) | (0.25) |
| Weighted average shares used to compute basic and diluted profit (loss) per share (c) | 20,853 | 13,707 | 17,095 | 12,909 |

Reconciliation of GAAP to Non-GAAP Results for First Three Quarters of 2007

For the three months ended

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| | 9/30/2007 (Unaudited) | 6/30/2007 (Unaudited) | 3/31/2007 (Unaudited) |
|---|--------------------------|--------------------------|--------------------------|
| GAAP operating profit (loss) | 185 | 162 | 149 |
| Amortization of capitalized software developments | 1,059 | 885 | 1,183 |
| Capitalization of software developments | (849) | (1,134) | (1,341) |
| Stock-based compensation | 50 | 30 | 7 |
| | | | |
| Total adjustments to GAAP | 260 | (219) | (151) |
| Non-GAAP operating profit (loss) | 445 | (57) | (2) |
| | | | |
| GAAP net income (loss) | (288) | (715) | (405) |
| | | | |
| Total adjustments to GAAP as above | 260 | (219) | (151) |
| Non-GAAP net income (loss) | (28) | (934) | (556) |
| Non-GAAP basic and diluted profit (loss) per share (c) | 0.00 | (0.06) | (0.04) |
| Weighted average shares used to compute basic and diluted profit (loss) per share (c) | 20,853 | 15,514 | 14,854 |

Note

a: Certain prior year's amounts have been reclassified and corrected to conform with current year presentation

b: Includes taxes, equity losses and minority interest

c: Due to the net loss in 2006 and 2007 the inclusion of dilutive securities would be antidilutive.

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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: November 14, 2007

By:

/s/ Andrew Treitel

Andrew Treitel

General Counsel and Corporate Secretary