

SAPIENS INTERNATIONAL CORP N V
Form 20-F
April 29, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report.

Commission file number 000-20181

SAPIENS INTERNATIONAL CORPORATION N.V.
(Exact name of Registrant as specified in its charter)

NETHERLANDS ANTILLES
(Jurisdiction of incorporation or organization)

Landhuis Joonchi
Kaya Richard J. Beaujon z/n
P.O. Box 837
Curaçao, Netherlands Antilles
(Address of principal executive offices)

Roni Giladi, Chief Financial Officer

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Tel: +972-8-938-2721

Fax:+972-8-938-2880

Rabin Science Park

PO Box 4011

Nes Ziona 74140 Israel

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Class:

Name of each exchange on which registered:

Common Shares, par value € 0.01 per share

NASDAQ Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report

As of December 31, 2009 the issuer had 21,591,088 Common Shares, par value € 0.01 per share, outstanding.

Indicate by check mark if the registrant is well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

TABLE OF CONTENTS

	Page
<u>Introduction</u>	1
<u>PART I</u>	1
<u>Item 1. Identity of Directors, Senior Management and Advisers</u>	1
<u>Item 2. Offer Statistics and Expected Timetable</u>	1
<u>Item 3. Key Information</u>	2
<u>Item 4. Information on the Company</u>	10
<u>Item 4A. Unresolved Staff Comments</u>	19
<u>Item 5. Operating and Financial Review and Prospects</u>	19
<u>Item 6. Directors, Senior Management and Employees</u>	31
<u>Item 7. Major Shareholders and Related Party Transactions</u>	38
<u>Item 8. Financial Information</u>	40
<u>Item 9. The Offer and Listing</u>	41
<u>Item 10. Additional Information</u>	44
<u>Item 11. Quantitative and Qualitative Disclosures About Market Risk</u>	58
<u>Item 12. Description of Securities Other Than Equity Securities</u>	59
<u>PART II</u>	59
<u>Item 13. Defaults, Dividend Arrearages and Delinquencies</u>	59
<u>Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	59
<u>Item 15T. Controls and Procedures</u>	59
<u>Item 16. [Reserved]</u>	60
<u>Item 16A. Audit Committee Financial Expert</u>	60
<u>Item 16B. Code of Ethics</u>	60
<u>Item 16C. Principal Accountant Fees and Services</u>	60
<u>Item 16D. Exemptions from the Listing Standards for Audit Committees</u>	61
<u>Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	61
<u>Item 16F. Change in Registrant's Certifying Accountant</u>	61
<u>Item 16G. Corporate Governance</u>	61

<u>PART III</u>		62
<u>Item 17.</u>	<u>Financial Statements</u>	62
<u>Item 18.</u>	<u>Financial Statements</u>	62
<u>Item 19.</u>	<u>Exhibits</u>	63
<u>Signature</u>		64

INTRODUCTION

Definitions

In this annual report, unless the context otherwise requires:

References to “Sapiens,” the “Company,” the “Registrant,” “us,” “we” and “our” refer to Sapiens International Corporation N.V., a Netherlands Antilles company, and its consolidated subsidiaries.

References to “our shares,” “Common Shares” and similar expressions refer to the Registrant’s Common Shares, par value € 0.01 per share.

References to “dollars”, “US dollars” or “\$” are to United States Dollars.

References to “NIS” are to New Israeli Shekels, the Israeli currency.

Cautionary Statement Regarding Forward-Looking Statements

Certain matters discussed in this annual report are forward-looking statements that are based on our beliefs and assumptions as well as information currently available to us. Such forward-looking statements may be identified by the use of the words “anticipate,” “believe,” “estimate,” “expect,” “may,” “will,” “plan” and similar expressions. Such statements reflect our current views with respect to future events and are subject to certain risks and uncertainties. While we believe such forward-looking statements are based on reasonable assumptions, should one or more of the underlying assumptions prove incorrect, or these risks or uncertainties materialize, our actual results may differ materially from those described herein. Please read the risks discussed in Item 3 – “Key Information” under the caption “Risk Factors” and cautionary statements appearing elsewhere in this annual report in order to review conditions that we believe could cause actual results to differ materially from those contemplated by the forward-looking statements.

We undertake no obligation publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this annual report might not occur.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3.

KEY INFORMATION

A. Selected Financial Data.

The following tables summarize certain selected consolidated financial data for the periods and as of the dates indicated. We derived the statement of operations financial data for the years ended December 31, 2007, 2008 and 2009 and the balance sheet data as of December 31, 2008 and 2009 from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated statement of operations financial data for the years ended December 31, 2005 and 2006 and the balance sheet data as of December 31, 2005, 2006 and 2007 are derived from our audited financial statements not included in this annual report. Certain financial data for previous years set forth below was reclassified to conform to later years' presentation. You should read the selected consolidated financial data together with our audited consolidated financial statements included elsewhere in this annual report and with Item 5, "Operating and Financial Review and Prospects." Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Selected Financial Data:

	Year Ended December 31,				
	2005	2006	2007	2008	2009
	(In thousands, except share and per share data)				
Revenues:					
Products	\$ 13,295	\$ 10,423	\$ 5,632	\$ 4,137	\$ 3,123
Consulting and other services	26,109	33,888	36,763	39,397	42,572
Total revenues	39,404	44,311	42,395	43,534	45,695
Cost of revenues:					
Products	8,809	6,302	3,277	2,482	1,874
Consulting and other services	16,037	22,499	22,306	23,975	24,697
Total cost of revenues	24,846	28,801	25,583	26,457	26,571
Gross profit	14,558	15,510	16,812	17,077	19,124
Operating Expenses:					
Research and development, net	2,723	2,451	3,502	3,884	2,735
Selling, marketing, general and administrative	16,245	13,558	12,513	10,708	11,048
Restructuring costs	1,113	758	-	-	-
Total operating expenses	20,081	16,767	16,015	14,592	13,783
Operating income (loss)	(5,523)	(1,257)	797	2,485	5,341
Financial expenses, net	1,788	2,230	2,798	2,236	880
Other expenses (income), net	(12)	-	109	(32)	-
Income (loss) before taxes on income	(7,299)	(3,487)	(2,110)	281	4,461
Taxes on income	1,798	325	338	584	260