

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 5, 2021

Verint Systems Inc.
(Exact name of registrant as specified in its charter)

001-34807
(Commission File Number)

Delaware
(State or other jurisdiction
of incorporation)

11-3200514
(I.R.S. Employer
Identification No.)

**175 Broadhollow Road
Melville, New York 11747**
(Address of principal executive offices, with zip code)

(631) 962-9600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading symbol	Name of exchange on which registered
Common Stock, \$0.001 par value per share	VRNT	The NASDAQ Stock Market, LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On April 5, 2021, Verint Systems Inc. (the “Company”) intends to distribute a confidential offering memorandum (the “Offering Memorandum”) to potential investors relating to the private offering by the Company (the “Offering”) of \$250 million aggregate principal amount of its Convertible Senior Notes due 2026 (or up to \$287.5 million in aggregate principal amount if the initial purchasers exercise their option to purchase additional notes in full) (the “Notes”). There can be no assurance that the Offering will be consummated.

The Company is furnishing under this Item 7.01 the information included in Exhibit 99.1 (Offering Memorandum Excerpts), which information is excerpted from the Offering Memorandum.

The Notes are being offered in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. Neither the Notes nor the shares of common stock issuable upon conversion of the Notes, if any, have been, nor will be, registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state laws.

The information furnished pursuant to Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1) does not constitute an offer to sell or a solicitation of an offer to purchase the Notes or any other securities and does not constitute an offer, solicitation or sale in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

The information furnished pursuant to Item 7.01 of this Current Report on Form 8-K (including Exhibit 99.1) is being furnished and shall not be deemed “filed” under the Securities Exchange Act of 1934, nor shall it be incorporated by reference into any filings under the Exchange Act or under the Securities Act, except to the extent specifically provided in any such filing. The furnishing of information pursuant to this Item 7.01 will not be deemed an admission as to the materiality of any information in this Current Report on Form 8-K that is required to be disclosed solely by Regulation FD.

Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking statements,” including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to the Company, including statements regarding the Company’s current expectations and beliefs as to the Offering. These forward-looking statements are not guarantees of future performance and they are based on management’s expectations that involve a number of risks, uncertainties and assumptions, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. For a detailed discussion of these risk factors, see the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2021 and other filings the Company’s makes with the SEC. The forward-looking statements contained in this Current Report on Form 8-K are made as of the date of this Current Report on Form 8-K and, except as required by law, the Company assumes no obligation to update or revise them or to provide reasons why actual results may differ.

Item 8.01 Other Events

On April 5, 2021, the Company issued a press release announcing the Offering. A copy of the press release is filed as Exhibit 99.2 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.*(d) Exhibits*

<u>Exhibit Number</u>	<u>Description</u>
99.1	Offering Memorandum Excerpts
99.2	Press Release dated April 5, 2021
104	Cover Page Interactive Data File (embedded within XBRL document)

SIGNATURES

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 hereunto duly authorized.

VERINT SYSTEMS INC.

By: /s/ Peter Fante

Name: Peter Fante

Title: Chief Administrative Officer

Date: April 5, 2021

Apax Series B investment

On December 4, 2019, we announced that an affiliate (the “Apax Investor”) of Apax Partners (“Apax”) would make an investment in us in an amount of up to \$400.0 million. Under the terms of the Investment Agreement, dated as of December 4, 2019 (the “Investment Agreement”), the Apax Investor initially purchased \$200.0 million of our Series A convertible preferred stock (“Series A Preferred Stock”) in an issuance that closed on May 7, 2020 (the “Apax Series A Investment”). The closing of the purchase by the Apax Investor of \$200.0 million of our Series B convertible preferred stock (“Series B Preferred Stock”) is scheduled to occur on April 6, 2021 (the “Apax Series B Investment”). After giving effect to the closing of the Series A Preferred Stock and Series B Preferred Stock investments and the Spin-Off, Apax’s ownership in us on an as-converted basis is approximately 12.5%.

In connection with the closing of the Apax Series A Investment, we elected Jason A. Wright, who is a designee of Apax, to our board of directors as the Initial Investor Director Designee (as defined in the Investment Agreement). Following the closing of the Apax Series B Investment, Apax and we will mutually agree on the Initial Independent Designee (as defined in the Investment Agreement), and we will use our reasonable efforts to cause the Initial Independent Designee to be confirmed by the Corporate Governance and Nominating Committee of our board of directors and be elected to our board of directors no later than 90 days following the closing of the Apax Series B Investment.

Amendment to credit agreement

Concurrently with the the offering of our convertible senior notes (the “notes”), we will amend the Credit Agreement, dated June 29, 2017, by and among Verint and the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent (the “2017 Credit Agreement”), which is comprised of a \$425.0 million term loan maturing on June 29, 2024 (the “2017 Term Loan”) and a \$300.0 million revolving credit facility maturing on June 29, 2022 (the “2017 Revolving Credit Facility”) (as amended, the “Amended Credit Facility”) and repay approximately \$260.1 million in amounts outstanding under the 2017 Term Loan. As of January 31, 2021, approximately \$410.1 million was outstanding under the 2017 Term Loan. The Amended Credit Facility will provide us with the ability to borrow up to \$300.0 million pursuant to the revolving credit facility which, as of the closing date, will be undrawn. The revolving credit facility will mature in five years and permit incremental facilities equal to the sum of (x) \$250.0 million plus (y) an unlimited amount subject to the satisfaction of a 3.0x first lien net leverage ratio test. The terms of the Amended Credit Facility will be substantially the same as the 2017 Credit Agreement except that it will include updates to certain of the terms, covenant baskets and other provisions to give effect to the current size and scope of our business.

Capitalization

The following table sets forth our (i) total cash and cash equivalents, restricted cash and cash equivalents and restricted bank time deposits (excluding long-term portions) and short-term investments and (ii) capitalization as of January 31, 2021:

- on an actual basis;
- on a pro forma basis after giving effect to the previously announced spin-off (the “Spin-Off”) of Cognyte Software Ltd., a company limited by shares incorporated under the laws of the State of Israel whose business and operations consist of our former Cyber Intelligence Solutions business; and

- on an as pro forma adjusted basis to give effect to the Spin-Off as well as (1) the cash collateralization of the 1.50% Convertible Senior Notes due 2021 (the “2021 Convertible Notes”), (2) the amendment of the 2017 Credit Agreement, (3) the completion of the Apax Series B Investment, (4) the issuance and sale of the notes in this offering (assuming the initial purchasers’ option to purchase additional notes is not exercised), after deducting the initial purchasers’ discounts and commissions and estimated offering expenses payable by us, and (5) the use of proceeds of the offering of the notes, including the repayment of approximately \$260.1 million in amounts outstanding under the 2017 Term Loan and repurchase of approximately 1.6 million shares of our common stock (a number of shares of common stock approximately equal to the amount of shares to be issued by us as equity compensation during the fiscal year ending January 31, 2022), but excluding the payment of the cost of the capped call transactions.

This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Annual Report on Form 10-K for the year ended January 31, 2021 and our financial statements and related notes thereto, which are incorporated by reference into this offering memorandum.

	As of January 31, 2021		
	Actual	Pro Forma(1)	Pro Forma As Adjusted
	(In thousands, except share and per share data)		
Cash and cash equivalents(2) (3)	\$ 663,843	\$ 585,273	\$ 301,559
Restricted cash and cash equivalents, and restricted bank time deposits (excluding long-term portions) (3)	27,057	15	15
Short-term investments	51,013	46,300	46,300
Total cash, cash equivalents, restricted cash and cash equivalents, restricted bank time deposits, and short-term investments	\$ 741,913	\$ 631,588	\$ 347,874
Long-term debt:			
2021 Convertible Notes(3)	386,887	386,887	—
Amended Credit Facility			
Term Loan	410,125	410,125	150,000
Revolving Credit Facility(4)	—	—	—
Notes offered in the offering	—	—	250,000
Less: Unamortized debt discounts and issuance costs	(7,518)	(7,518)	(1,004)
Less: Current maturities of long-term debt	(386,713)	(386,713)	—
Total long-term indebtedness	402,781	402,781	398,996
Preferred stock, \$0.001 par value; 2,207,000 shares authorized; 200,000 shares Series A Preferred Stock issued and outstanding, actual, pro forma and as adjusted; 0 shares of Series B Preferred Stock issued and outstanding, actual and pro forma and 200,000 shares of Series B Preferred Stock issued and outstanding, pro forma as adjusted(5)	200,628	200,628	398,878
Stockholders' equity:			
Common stock, \$0.001 par value, 120,000,000 shares authorized; 70,177,000 shares issued and 65,773,000 shares outstanding, actual and pro forma and 70,177,000 shares issued and 64,173,000 shares outstanding pro forma as adjusted(6)(7)	70	70	70
Additional paid-in capital	1,726,166	1,446,320	1,446,320
Treasury stock, at cost 4,404,000 shares, actual and pro forma and 6,004,000 shares pro forma as adjusted	(208,124)	(208,124)	(280,924)
Accumulated deficit	(113,797)	(124,168)	(137,199)
Accumulated other comprehensive loss	(136,878)	(121,373)	(108,342)
Total Verint stockholders' equity	1,267,437	992,725	919,925
Noncontrolling interests	15,127	2,257	2,257
Total stockholders' equity	1,282,564	994,982	922,182
Total capitalization	\$ 1,885,973	\$ 1,598,391	\$ 1,720,056

(1) Pro forma amounts are intended to reflect our financial position as if the Spin-Off had occurred on January 31, 2021 and are not intended to be a complete presentation of our capitalization had the

Spin-Off occurred on that date. Such adjustments are provided for illustrative and informational purposes only and are not necessarily indicative of our financial condition as of that date. The pro forma adjustments are based on currently available information and assumptions that management believes are, under the circumstances and given the information available at this time, reasonable, and best reflect the Spin-Off and our financial condition as if we were a stand-alone entity on January 31, 2021 in accordance with GAAP.

- (2) The amounts above do not reflect (i) the payment of accrued interest and premium, if any, on the repayment of approximately \$260.1 million in amounts outstanding under the 2017 Term Loan, (ii) the payment of the cost of the capped call transactions and (iii) the prepayment of the interest rate swap agreements. See (5) below. Pro forma as adjusted reflects the cash collateralization of the 2021 Convertible Notes. See (3) below.
- (3) On February 26, 2021, we deposited approximately \$390.0 million of cash, representing the full principal amount of the 2021 Convertible Notes then outstanding as well as the final interest payment on the 2021 Convertible Notes, into an escrow account in satisfaction of the cash collateralization provisions of the amendment dated June 8, 2020 to the 2017 Credit Agreement. While the \$390.0 million escrow deposit will be reported within our restricted cash balance until the 2021 Convertible Notes are repaid at maturity or our conversion obligation is satisfied, as the case may be, the pro forma as adjusted restricted cash and cash equivalents, and restricted bank time deposits does not reflect such amount. The 2021 Convertible Notes are treated as not outstanding for purposes of the 2017 Credit Agreement and the table above because they have been cash collateralized. See (2) above.
- (4) As of January 31, 2021, after giving effect to the refinancing transactions, we would have had \$300.0 million in availability under our Amended Credit Facility. See “Description of certain other indebtedness.”
- (5) At the closing date of the issuance of our Series A Preferred Stock, we recorded a non-cash Future Tranche Right that represented our obligation to issue and the Apax Investor’s obligation to purchase 200,000 shares of the Series B Preferred Stock in connection with the completion of the Spin-Off. As of January 31, 2021, the fair value of the non-cash Future Tranche Right was a liability of \$52.8 million. The Future Tranche Right will be remeasured in connection with the sale and issuance of the Series B Preferred Stock. The pro forma as adjusted preferred stock does not include this final remeasurement and the resulting impact to our preferred stock balance.
- (6) The number of issued and outstanding shares, actual and adjusted, excludes 2,870,267 shares of common stock underlying issued but unexercised or unvested equity incentive awards as of January 31, 2021. The number of outstanding shares actual and pro forma excludes 4,404,184 shares of treasury stock, and the pro forma as adjusted assumes a repurchase of 1,600,000 shares of our common stock at an assumed price of \$45.50 per share (the closing price of our shares of common stock on April 1, 2021).
- (7) We expect to use a portion of the net proceeds from the offering of the notes to pay the cost of the capped call transactions. The entry into the capped call transactions will result in a decrease in additional paid-in capital and, therefore, a decrease in total shareholders’ equity and total capitalization. The amounts shown in the table above do not reflect these decreases.



Press Release

Verint Announces Proposed Offering of Convertible Senior Notes and Concurrent Repurchase of Common Stock

MELVILLE, N.Y., April 5, 2021 – Verint® Systems Inc. (NASDAQ: VRNT) today announced its intention, subject to market and other conditions, to commence an offering of \$250 million aggregate principal amount of convertible senior notes due 2026 (or up to \$287.5 million in aggregate principal amount if the initial purchasers exercise their option to purchase additional notes in full) in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933.

Upon conversion of the notes, Verint will pay cash up to the aggregate principal amount of notes to be converted and pay and/or deliver, as the case may be, cash, shares of Verint's common stock or a combination of cash and shares of Verint's common stock, at Verint's election, in respect of the remainder, if any. The interest rate, conversion rate and certain other pricing terms of the notes will be determined at the time of pricing of the offering by Verint and the initial purchasers.

Verint intends to use a portion of the net proceeds from the notes offering to pay the costs of the capped call transactions described below. Verint intends to use the remainder of the net proceeds from the offering to repay a portion of the outstanding indebtedness under its existing credit facility, to repay certain amounts owing under interest rate swap agreements, to repurchase approximately 1.6 million shares of its common stock and the remainder for working capital and other general corporate purposes.

In connection with the pricing of the notes, Verint expects to enter into capped call transactions with one or more of the initial purchasers or other financial institutions and/or their respective affiliates (the "option counterparties"). The capped call transactions are expected generally to reduce potential dilution to Verint's common stock upon any conversion of the notes at maturity and/or offset any cash payments Verint is required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. The cap price of the capped call transactions will be determined upon pricing of the notes. If the initial purchasers exercise their option to purchase additional notes, Verint expects to enter into additional capped call transactions with the option counterparties.

Verint has been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates expect to enter into various derivative transactions referencing Verint's common stock and/or purchase shares of Verint's common stock concurrently with, or shortly after, the pricing of the notes, and may unwind these various derivative transactions and purchase Verint's common stock in open market transactions shortly following the pricing of the notes. These activities could increase (or reduce the size of any decrease in) the market price of Verint's common stock or the notes at that time.

In addition, Verint has been advised that the option counterparties and/or their respective affiliates may modify their hedge positions by entering into or unwinding various derivative transactions referencing Verint's common stock and/or purchasing or selling shares of Verint's common stock or other securities of Verint in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so following any conversion of notes, any repurchase of notes by Verint on any fundamental change repurchase date, any redemption date, or any other date on which any notes are retired by Verint). These activities could cause or avoid an increase or decrease in the market price of Verint's common stock or the notes, which could affect the ability of noteholders to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of the notes, could affect the number of shares and value of the consideration that noteholders will receive upon conversion of the notes.

There can be no assurance that the offering will be completed. The notes will be offered to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. Neither the notes nor the shares of common stock issuable upon conversion of the notes, if any, have been, nor will be, registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of such securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About Verint

Verint® (Nasdaq: VRNT) helps the world's most iconic brands – including over 85 of the Fortune 100 companies – build enduring customer relationships by connecting work, data and experiences across the enterprise. The Verint Customer Engagement portfolio draws on the latest advancements in AI and analytics, an open cloud architecture, and The Science of Customer Engagement™ to help customers close the Engagement Capacity Gap™.

Cautionary Note Regarding Forward-Looking Statements

This press release contains “forward-looking statements,” including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Verint Systems Inc., including statements regarding Verint’s current expectations and beliefs as to the pricing and closing of the offering and use of the proceeds thereof. These forward-looking statements are not guarantees of future performance and they are based on management’s expectations that involve a number of risks, uncertainties and assumptions, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. For a detailed discussion of these risk factors, see Verint’s Annual Report on Form 10-K for the fiscal year ended January 31, 2021 and other filings Verint makes with the SEC. The forward-looking statements contained in this press release are made as of the date of this press release and, except as required by law, Verint assumes no obligation to update or revise them or to provide reasons why actual results may differ.

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Contact: **Investor Relations**

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