



SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2018 (Report No. 3)

Commission File Number: 0-27466

NICE LTD.

(Translation of Registrant's Name into English)

13 Zarchin Street, P.O. Box 690, Ra'anana 4310602, Israel

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of 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): _____

THE GAAP FINANCIAL STATEMENTS ATTACHED TO THE PRESS RELEASE ATTACHED HERETO AS EXHIBIT 99.1 OF THIS REPORT ON FORM 6-K ARE HEREBY INCORPORATED BY REFERENCE INTO NICE LTD.'S ("NICE") REGISTRATION STATEMENTS ON FORM S-8 (REGISTRATION STATEMENT NOS. 333-166364, 333-168100, 333-171165, 333-162795, 333-162110, 333-06784, 333-08146, 333-11842, 333-09350, 333-11154, 333-111112, 333-111113, 333-134355, 333-144589, 333-145981, 333-153230, 333-177510, 333-179408, 333-181375, 333-191176, 333-199904, 333-210341, 333-210343, 333-210344 and 333-214584), AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS SUBMITTED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

CONTENTS

This Report on Form 6-K of NICE consists of the following documents, which are attached hereto and incorporated by reference herein:

- 99.1 Press Release: NICE Reports 28% Growth in Cloud Revenue and 10% Growth in Total Revenue for the Second Quarter 2018, Dated August 9, 2018.

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, thereunto duly authorized.

NICE-SYSTEMS LTD.

By: /s/ Tali Mirsky
Name: Tali Mirsky
Title: Corporate VP, General Counsel and Corporate Secretary

Dated August 9, 2018

EXHIBIT INDEX

- 99.1 Press Release: NICE Reports 28% Growth in Cloud Revenue and 10% Growth in Total Revenue for the Second Quarter 2018, Dated August 9, 2018.

NICE Reports 28% Growth in Cloud Revenue and 10% Growth in Total Revenue for the Second Quarter 2018

Strong Double-Digit Growth in Operating Income and Earnings Per Share Annual Recurring Cloud Revenue is Expected to Exceed \$500 Million by the End of 2018

Hoboken, New Jersey, August 9, 2018 - NICE (NASDAQ: NICE) today announced results for the second quarter ended June 30, 2018.

Second Quarter 2018 Financial Highlights

| GAAP | Non-GAAP |
|--|--|
| Revenue of \$342 million, growth of 10% year-over-year | Revenue of \$345 million, growth of 10% year-over-year |
| Cloud revenue of \$109 million, growth of 28% year-over-year | Cloud revenue of \$110 million, growth of 28% year-over-year |
| Gross margin of 65.3% compared to 63.5% last year | Gross margin of 70.6% compared to 70.5% last year |
| Operating income of \$46 million compared to \$26 million last year, 80% growth year-over-year | Operating income of \$85 million compared to \$72 million last year, 19% growth year-over-year |
| Operating margin of 13.6% compared to 8.3% last year | Operating margin of 24.7% compared to 22.8% last year |
| Diluted EPS of \$0.54 versus \$0.33 last year, 64% growth year-over-year | Diluted EPS of \$1.06 versus \$0.90 last year, 18% growth year-over-year |

The GAAP column of the table contains the financial highlights of the second quarter 2018 under ASC 606 with the comparison period under ASC 605.

The non-GAAP column of the table contains the financial highlights of the second quarter 2018 under ASC 605 with the comparison period under ASC 605.

“The continued strong execution around our growth pillars of cloud, analytics and artificial intelligence led to another quarter of double digit increases in total revenue and earnings per share. For each of these growth pillars, we believe that we are still at the early stage of our journey with a long runway for growth ahead of us,” said Barak Eilam, CEO, NICE.

Mr. Eilam continued, “A major part of this journey is the cloud, which grew 28% this quarter and is being driven by the continued success of our CXone platform, the only true, native, open cloud platform in the industry encompassing the broadest portfolio of customer experience solutions. We are witnessing a growing movement of large enterprises shifting to the cloud, and we are capturing an increasing number of these opportunities with CXone.

Analytics was also a healthy contributor to the strong results in the second quarter. Analytics solutions infused with artificial intelligence, like robotic process automation and ActimizeWatch, are helping to fuel the continued success of our analytics portfolio.”

GAAP Financial Highlights for the Second Quarter Ended June 30:

The GAAP numbers presented below for the second quarter 2018 are under ASC 606 and the comparison period GAAP numbers for the second quarter 2017 are under ASC 605

Revenues: Second quarter 2018 total revenues increased 9.8% to \$342.0 million compared to \$311.5 million for the second quarter of 2017.

Gross Profit: Second quarter 2018 gross profit and gross margin increased to \$223.4 million and 65.3%, respectively, compared to \$197.9 million and 63.5%, respectively, for the second quarter of 2017.

Operating Income: Second quarter 2018 operating income and operating margin increased to \$46.4 million and 13.6%, respectively, compared to \$25.8 million and 8.3%, respectively, for the second quarter of 2017.

Net Income: Second quarter 2018 net income and net income margin increased to \$34.2 million and 10.0%, respectively, compared to \$20.4 million and 6.6%, respectively, for the second quarter of 2017.

Fully Diluted Earnings Per Share: Fully diluted earnings per share for the second quarter of 2018 increased to \$0.54 compared to \$0.33 in the second quarter of 2017.

Operating Cash Flow and Cash Balance: Second quarter 2018 operating cash flow was \$63.8 million. In the second quarter, \$6.4 million was used for share repurchases. As of June 30, 2018, total cash and cash equivalents, short term investments and marketable securities were \$688.5 million, and total debt was \$451.7 million.

Non-GAAP Financial Highlights for the Second Quarter Ended June 30:

The non-GAAP numbers presented below for the second quarter 2018 and for the comparison period non-GAAP numbers for the second quarter 2017 are both under ASC 605.

Revenues: Second quarter 2018 non-GAAP total revenues increased to \$345.4 million, up 9.5% from \$315.3 million for the second quarter of 2017.

Gross Profit: Second quarter 2018 non-GAAP gross profit and non-GAAP gross margin increased to \$243.8 million and 70.6%, respectively, from \$222.3 million and 70.5%, respectively, for the second quarter of 2017.

Operating Income: Second quarter 2018 non-GAAP operating income and non-GAAP operating margin increased to \$85.4 million and 24.7%, respectively, from \$72.0 million and 22.8%, respectively, for the second quarter of 2017.

Net Income: Second quarter 2018 non-GAAP net income and non-GAAP net income margin increased to \$66.7 million and 19.3%, respectively, from \$56.0 million and 17.8%, respectively, for the second quarter of 2017.

Fully Diluted Earnings Per Share: Second quarter 2018 non-GAAP fully diluted earnings per share increased 17.8% to \$1.06, compared to \$0.90 for the second quarter of 2017.

Third Quarter and Full Year 2018 Guidance:

Guidance for the third quarter and the full-year 2018 is provided using the accounting standard ASC 605 in order to provide better transparency and comparability to 2017 financial data, which was reported under ASC 605.

The following guidance does not include the financial data of Mattersight, as the acquisition has not yet closed.

Third Quarter 2018: Third quarter 2018 non-GAAP total revenues are expected to be in a range of \$347 million to \$357 million. Third quarter 2018 non-GAAP fully diluted earnings per share are expected to be in a range of \$1.04 to \$1.10.

Full Year 2018: The Company reaffirmed full year 2018 non-GAAP total revenues to be in an expected range of \$1,434 million to \$1,458 million. The Company increased full year 2018 non-GAAP fully diluted earnings per share to an expected range of \$4.46 to \$4.66.

Adoption of the New Revenue Recognition Standard - ASC 606

NICE adopted the new revenue recognition accounting standard, Accounting Standards Codification ("ASC") 606, effective January 1, 2018, on a modified retrospective basis. Financial results for reporting periods during 2018 are presented in compliance with the ASC 606. Historical financial results for reporting periods prior to 2018 are presented in conformity with amounts previously disclosed under the prior revenue recognition standard, ASC 605. This press release includes additional information to reconcile the impacts of the adoption of the new revenue recognition standard on the Company's financial results for the quarter ended June 30, 2018.

Quarterly Results Conference Call

NICE management will host its earnings conference call today, August 9th, 2018 at 8:30 AM ET, 13:30 GMT, 15:30 Israel, to discuss the results and the company's outlook. To participate in the call, please dial in to the following numbers: United States 1-866-804-8688 or +1-718-354-1175, International +44(0)1296-311-600, United Kingdom 0-800-678-1161, Israel 1-809-344-364. The Passcode is 783 901 37. Additional access numbers can be found at http://www.btconferencing.com/globalaccess/?bid=54_attended. The call will be webcast live on the Company's website at <http://www.nice.com/news-and-events/ir-events>. An online replay will also be available approximately two hours following the call. A telephone replay of the call will be available for 7 days after the live broadcast, and may be accessed by dialing: United States 1-877-482-6144, International +44(0)20-7136-9233, United Kingdom 0-800-032-9687. The Passcode for the replay is 287 261 71.

Non-GAAP financial measures consist of GAAP financial measures adjusted to exclude: amortization of acquired intangible assets, share-based compensation, certain business combination accounting entries, amortization of discount on long term debt, ASC 606 to ASC 605 adjustments and tax adjustment re non-GAAP adjustments. The purpose of such adjustments is to give an indication of our performance exclusive of non-cash charges and other items that are considered by management to be outside of our core operating results. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Business combination accounting rules requires us to recognize a legal performance obligation related to a revenue arrangement of an acquired entity. The amount assigned to that liability should be based on its fair value at the date of acquisition. The non-GAAP adjustment is intended to reflect the full amount of such revenue. We believe this adjustment is useful to investors as a measure of the ongoing performance of our business. We believe these non-GAAP financial measures provide consistent and comparable measures to help investors understand our current and future operating cash flow performance. These non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies. Reconciliation between results on a GAAP and non-GAAP basis is provided in a table immediately following the Consolidated Statements of Income.

About NICE

NICE (Nasdaq: NICE) is the worldwide leading provider of both cloud and on-premises enterprise software solutions that empower organizations to make smarter decisions based on advanced analytics of structured and unstructured data. NICE helps organizations of all sizes deliver better customer service, ensure compliance, combat fraud and safeguard citizens. Over 25,000 organizations in more than 150 countries, including over 85 of the Fortune 100 companies, are using NICE solutions. www.nice.com.

Investors

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Trademark Note: NICE and the NICE logo are trademarks or registered trademarks of NICE. All other marks are trademarks of their respective owners. For a full list of NICE' marks, please see: <http://www.nice.com/nice-trademarks>.

Forward-Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements may be identified by words such as “believe,” “expect,” “seek,” “may,” “will,” “intend,” “should,” “project,” “anticipate,” “plan,” and similar expressions. Forward-looking statements are based on the current beliefs, expectations and assumptions of the Company’s management regarding the future of the Company’s business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Examples of forward-looking statements include guidance regarding the Company’s revenue and earnings and the growth of our cloud, analytics and artificial intelligence business.

Forward looking statements are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance, and investors should not place undue reliance on them. There are or will be important known and unknown factors and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. These factors, include, but are not limited to, risks associated with competition, success and growth of the Company’s cloud Software-as-a-Service business, cyber security attacks or other security breaches against the Company, privacy concerns and legislation impacting the Company’s business, the Company’s dependency on third-party cloud computing platform providers, hosting facilities and service partners, changes in general economic and business conditions, rapidly changing technology, changes in currency exchange rates and interest rates, difficulties in making additional acquisitions or effectively integrating acquired operations, products, technologies and personnel (including, with respect to the Company’s proposed acquisition of Mattersight Corporation), successful execution of the Company’s growth strategy, the effects of tax reforms and of newly enacted or modified laws, regulation or standards on the Company and its products, and other factors and uncertainties discussed in our filings with the U.S. Securities and Exchange Commission (the “SEC”). You are encouraged to carefully review the section entitled “Risk Factors” in our latest Annual Report on Form 20-F and our other filings with the SEC for additional information regarding these and other factors and uncertainties that could affect our future performance. The forward-looking statements contained in this presentation speak only as of the date hereof, and the Company undertakes no obligation to update or revise them, whether as a result of new information, future developments or otherwise, except as required by law.

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NICE LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

U.S. dollars in thousands (except per share amounts)

| | Quarter ended June 30, | | Year to date June 30, | |
|---|---------------------------|-------------------|--------------------------|-------------------|
| | 2018 Unaudited | 2017 Unaudited | 2018 Unaudited | 2017 Unaudited |
| Revenue: | | | | |
| Product | \$ 49,397 | \$ 68,736 | \$ 110,767 | \$ 137,193 |
| Services | 184,128 | 158,236 | 354,345 | 316,652 |
| Cloud | 108,517 | 84,568 | 212,372 | 163,317 |
| Total revenue | <u>342,042</u> | <u>311,540</u> | <u>677,484</u> | <u>617,162</u> |
| Cost of revenue: | | | | |
| Product | 7,395 | 13,513 | 15,532 | 26,724 |
| Services | 57,153 | 54,558 | 115,538 | 113,274 |
| Cloud | 54,138 | 45,533 | 106,131 | 89,340 |
| Total cost of revenue | <u>118,686</u> | <u>113,604</u> | <u>237,201</u> | <u>229,338</u> |
| Gross profit | 223,356 | 197,936 | 440,283 | 387,824 |
| Operating expenses: | | | | |
| Research and development, net | 43,455 | 42,886 | 89,322 | 85,840 |
| Selling and marketing | 89,820 | 87,694 | 179,746 | 166,895 |
| General and administrative | 33,116 | 31,334 | 69,488 | 60,561 |
| Amortization of acquired intangible assets | 10,586 | 10,188 | 21,171 | 20,753 |
| Total operating expenses | <u>176,977</u> | <u>172,102</u> | <u>359,727</u> | <u>334,049</u> |
| Operating income | 46,379 | 25,834 | 80,556 | 53,775 |
| Finance and other expense, net | <u>2,937</u> | <u>3,388</u> | <u>6,905</u> | <u>12,378</u> |
| Income before tax | 43,442 | 22,446 | 73,651 | 41,397 |
| Taxes on income | 9,207 | 2,005 | 15,890 | 3,667 |
| Net income | <u>\$ 34,235</u> | <u>\$ 20,441</u> | <u>\$ 57,761</u> | <u>\$ 37,730</u> |
| Basic earnings per share | <u>\$ 0.56</u> | <u>\$ 0.34</u> | <u>\$ 0.94</u> | <u>\$ 0.63</u> |
| Diluted earnings per share | <u>\$ 0.54</u> | <u>\$ 0.33</u> | <u>\$ 0.92</u> | <u>\$ 0.61</u> |
| Weighted average number of shares outstanding used to compute: | | | | |
| Basic earnings per share | 61,212 | 60,277 | 61,133 | 60,203 |
| Diluted earnings per share | 63,031 | 61,962 | 62,904 | 61,857 |

NICE LTD. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP RESULTS AND ASC 606 TO NON-GAAP ASC 605

U.S. dollars in thousands (except per share amounts)

| | Quarter ended June 30, | | Year to date June 30, | |
|---|---------------------------|-------------------|--------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| GAAP revenues | \$ 342,042 | \$ 311,540 | \$ 677,484 | \$ 617,162 |
| Valuation adjustment on acquired deferred product revenue | 70 | 46 | 85 | 265 |
| Valuation adjustment on acquired deferred services revenue | 200 | 2,094 | 506 | 3,091 |
| Valuation adjustment on acquired deferred cloud revenue | 1,416 | 1,648 | 3,302 | 2,859 |
| ASC 606 to ASC 605 revenue adjustment | 1,681 | - | 4,958 | - |
| Non-GAAP revenues | <u>\$ 345,409</u> | <u>\$ 315,328</u> | <u>\$ 686,335</u> | <u>\$ 623,377</u> |
| GAAP cost of revenue | \$ 118,686 | \$ 113,604 | \$ 237,201 | \$ 229,338 |
| Amortization of acquired intangible assets on cost of product | (1,336) | (6,056) | (3,925) | (12,414) |
| Amortization of acquired intangible assets on cost of services | (987) | (1,159) | (1,810) | (4,367) |
| Amortization of acquired intangible assets on cost of cloud | (12,705) | (10,975) | (25,460) | (21,950) |
| Valuation adjustment on acquired deferred cost of cloud | 324 | 331 | 660 | 762 |
| Cost of product revenue adjustment (1) | - | (161) | (188) | (336) |
| Cost of services revenue adjustment (1) | (1,896) | (1,847) | (3,649) | (3,722) |
| Cost of cloud revenue adjustment (1) | (645) | (714) | (1,414) | (1,483) |
| ASC 606 to ASC 605 cost of revenue adjustment | 203 | - | 327 | - |
| Non-GAAP cost of revenue | <u>\$ 101,644</u> | <u>\$ 93,023</u> | <u>\$ 201,742</u> | <u>\$ 185,828</u> |
| GAAP gross profit | \$ 223,356 | \$ 197,936 | \$ 440,283 | \$ 387,824 |
| Gross profit adjustments | 20,409 | 24,369 | 44,310 | 49,725 |
| Non-GAAP gross profit | <u>\$ 243,765</u> | <u>\$ 222,305</u> | <u>\$ 484,593</u> | <u>\$ 437,549</u> |
| GAAP operating expenses | \$ 176,977 | \$ 172,102 | \$ 359,727 | \$ 334,049 |
| Research and development (1) | (1,795) | (2,236) | (4,139) | (4,447) |
| Sales and marketing (1) | (6,851) | (5,863) | (13,154) | (11,509) |
| General and administrative (1) | (4,168) | (3,501) | (8,950) | (5,387) |
| Amortization of acquired intangible assets | (10,586) | (10,188) | (21,171) | (20,753) |
| ASC 606 to ASC 605 operating expenses adjustment | 4,829 | - | 3,084 | - |
| Non-GAAP operating expenses | <u>\$ 158,406</u> | <u>\$ 150,314</u> | <u>\$ 315,397</u> | <u>\$ 291,953</u> |
| GAAP finance & other expense, net | \$ 2,937 | \$ 3,388 | \$ 6,905 | \$ 12,378 |
| Amortization of discount on long-term debt | (2,094) | (2,094) | (4,257) | (9,259) |
| Non-GAAP finance & other expense, net | <u>\$ 843</u> | <u>\$ 1,294</u> | <u>\$ 2,648</u> | <u>\$ 3,119</u> |
| GAAP taxes on income | \$ 9,207 | \$ 2,005 | \$ 15,890 | \$ 3,667 |
| Tax adjustments re non-GAAP adjustments | 9,316 | 12,696 | 19,091 | 27,687 |
| Tax adjustment re ASC 606 to ASC 605 | (700) | - | 329 | - |
| Non-GAAP taxes on income | <u>\$ 17,823</u> | <u>\$ 14,701</u> | <u>\$ 35,310</u> | <u>\$ 31,354</u> |
| GAAP net income | \$ 34,235 | \$ 20,441 | \$ 57,761 | \$ 37,730 |
| Valuation adjustment on acquired deferred revenue | 1,686 | 3,788 | 3,893 | 6,215 |
| Valuation adjustment on acquired deferred cost of cloud revenue | (324) | (331) | (660) | (762) |
| Amortization of acquired intangible assets | 25,614 | 28,378 | 52,366 | 59,484 |
| Share-based compensation (1) | 15,355 | 14,322 | 31,494 | 26,884 |
| Amortization of discount on long term debt | 2,094 | 2,094 | 4,257 | 9,259 |
| Tax adjustments re non-GAAP adjustments | (9,316) | (12,696) | (19,091) | (27,687) |
| ASC 606 to ASC 605 adjustments | (2,651) | - | 1,218 | - |
| Non-GAAP net income | <u>\$ 66,693</u> | <u>\$ 55,996</u> | <u>\$ 131,238</u> | <u>\$ 111,123</u> |
| GAAP diluted earnings per share | <u>\$ 0.54</u> | <u>\$ 0.33</u> | <u>\$ 0.92</u> | <u>\$ 0.61</u> |
| Non-GAAP diluted earnings per share | <u>\$ 1.06</u> | <u>\$ 0.90</u> | <u>\$ 2.09</u> | <u>\$ 1.80</u> |
| Shares used in computing GAAP diluted earnings per share | 63,031 | 61,962 | 62,904 | 61,857 |
| Shares used in computing non-GAAP diluted earnings per share | 63,031 | 61,962 | 62,904 | 61,857 |

NICE LTD. AND SUBSIDIARIES

RECONCILIATION OF GAAP TO NON-GAAP RESULTS AND ASC 606 TO NON-GAAP ASC 605 (continued)

U.S. dollars in thousands

(1) Share-based Compensation

| | Quarter ended June 30, | | Year to date June 30, | |
|----------------------------|---------------------------|--------------------|--------------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Cost of product revenue | \$ - | \$ (161) | \$ (188) | \$ (336) |
| Cost of services revenue | (1,896) | (1,847) | (3,649) | (3,722) |
| Cost of cloud revenue | (645) | (714) | (1,414) | (1,483) |
| Research and development | (1,795) | (2,236) | (4,139) | (4,447) |
| Sales and marketing | (6,851) | (5,863) | (13,154) | (11,509) |
| General and administrative | (4,168) | (3,501) | (8,950) | (5,387) |
| | <u>\$ (15,355)</u> | <u>\$ (14,322)</u> | <u>\$ (31,494)</u> | <u>\$ (26,884)</u> |

NICE LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

| | June 30, 2018 | December 31, 2017 |
|---|----------------------------|------------------------------|
| | <u>Unaudited</u> | <u>Audited</u> |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 364,816 | \$ 328,302 |
| Short-term investments | 145,793 | 63,951 |
| Trade receivables | 209,667 | 230,729 |
| Prepaid expenses and other current assets | <u>89,984</u> | <u>70,074</u> |
| Total current assets | <u>810,260</u> | <u>693,056</u> |
| LONG-TERM ASSETS: | | |
| Long-term investments | 177,939 | 132,820 |
| Property and equipment, net | 124,516 | 118,275 |
| Deferred tax assets | 12,955 | 11,850 |
| Other intangible assets, net | 498,999 | 551,347 |
| Goodwill | 1,315,892 | 1,318,242 |
| Other long-term assets | <u>64,289</u> | <u>19,496</u> |
| Total long-term assets | <u>2,194,590</u> | <u>2,152,030</u> |
| TOTAL ASSETS | <u><u>\$ 3,004,850</u></u> | <u><u>\$ 2,845,086</u></u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Trade payables | \$ 31,729 | \$ 29,438 |
| Deferred revenues and advances from customers | 212,848 | 184,564 |
| Accrued expenses and other liabilities | <u>302,011</u> | <u>309,350</u> |
| Total current liabilities | <u>546,588</u> | <u>523,352</u> |
| LONG-TERM LIABILITIES: | | |
| Deferred revenues and advances from customers | 38,168 | 37,550 |
| Deferred tax liabilities | 58,302 | 57,796 |
| Long-term debt | 451,736 | 447,642 |
| Other long-term liabilities | <u>26,802</u> | <u>29,185</u> |
| Total long-term liabilities | <u>575,008</u> | <u>572,173</u> |
| SHAREHOLDERS' EQUITY | <u>1,883,254</u> | <u>1,749,561</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | <u><u>\$ 3,004,850</u></u> | <u><u>\$ 2,845,086</u></u> |

NICE LTD. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS

U.S. dollars in thousands

| | Quarter ended June 30, | | Year to date June 30, | |
|--|---------------------------|-------------------|--------------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| <u>Operating Activities</u> | | | | |
| Net income | \$ 34,235 | \$ 20,441 | \$ 57,761 | \$ 37,730 |
| Less loss (income) for the period from discontinued operation | | | | |
| Adjustments to reconcile net income to net cash provided by operating activities | | | | |
| Depreciation and amortization | 36,920 | 37,013 | 74,857 | 76,156 |
| Stock based compensation | 15,355 | 14,322 | 31,494 | 26,884 |
| Amortization of premium and discount and accrued interest on marketable securities | (9) | (39) | (307) | 151 |
| Deferred taxes, net | (10,245) | (9,871) | (19,912) | (21,542) |
| Changes in operating assets and liabilities: | | | | |
| Trade Receivables | 18,842 | 5,581 | 2,688 | 61,880 |
| Prepaid expenses and other current assets | (15,809) | (1,200) | (28,228) | (7,987) |
| Trade payables | 7,833 | (6,857) | 2,332 | (6,969) |
| Accrued expenses and other current liabilities | (6,044) | (4,302) | (10,464) | (35,601) |
| Deferred revenue | (19,011) | 12,852 | 87,106 | 63,516 |
| Long term liabilities | (404) | (859) | (787) | (1,606) |
| Amortization of discount on long term debt | 2,094 | 2,094 | 4,257 | 9,259 |
| Other | 56 | (514) | (127) | (465) |
| Net cash provided by operating activities | <u>63,813</u> | <u>68,661</u> | <u>200,670</u> | <u>201,406</u> |
| <u>Investing Activities</u> | | | | |
| Purchase of property and equipment | (8,248) | (12,332) | (13,564) | (22,746) |
| Purchase of Investments | (52,278) | (17,227) | (187,923) | (42,226) |
| Proceeds from Investments | 40,692 | 4,000 | 59,709 | 36,016 |
| Capitalization of software development costs | (7,672) | (7,156) | (15,476) | (14,094) |
| Net cash used in investing activities | <u>(27,506)</u> | <u>(32,715)</u> | <u>(157,254)</u> | <u>(43,050)</u> |
| <u>Financing Activities</u> | | | | |
| Proceeds from issuance of shares upon exercise of share options | 4,199 | 8,642 | 7,443 | 12,375 |
| Purchase of treasury shares | (6,361) | (7,618) | (10,613) | (16,047) |
| Dividends paid | - | - | - | (9,637) |
| Repayment of long term debt | - | - | - | (260,000) |
| Proceeds from issuance of debt, net of costs | - | - | - | 260,842 |
| Net cash provided by (used in) financing activities | <u>(2,162)</u> | <u>1,024</u> | <u>(3,170)</u> | <u>(12,467)</u> |
| Effect of exchange rates on cash and cash equivalents | <u>(3,790)</u> | <u>901</u> | <u>(3,732)</u> | <u>1,707</u> |
| Net change in cash and cash equivalents | 30,355 | 37,871 | 36,514 | 147,596 |
| Cash and cash equivalents, beginning of period | <u>334,461</u> | <u>266,751</u> | <u>328,302</u> | <u>157,026</u> |
| Cash and cash equivalents, end of period | <u>\$ 364,816</u> | <u>\$ 304,622</u> | <u>\$ 364,816</u> | <u>\$ 304,622</u> |

נייס מדווחת על גידול של 28% בהכנסות מענן וצמיחה של 10% בסך ההכנסות ברבעון השני של 2018

צמיחה דו ספרתית חזקה ברווח התפעולי וברווח למניה קצב ההכנסות מענן יעבור את ה- 500 מיליון דולר בסוף שנת 2018

הובוקן, ניו ג'רזי, 9 באוגוסט, 2018 – נייס (נאסד"ק: NICE) פרסמה היום את התוצאות לרבעון השני 2018 שהסתיים ב-30 ביוני, 2018.

עיקרי התוצאות לרבעון השני של 2018:

| GAAP | Non-GAAP |
|--|--|
| הכנסות של 342 מיליון דולר, גידול של 10% בהשוואה לאשתקד | הכנסות של 345 מיליון דולר, גידול של 10% בהשוואה לאשתקד |
| הכנסות מענן בסך 109 מיליון דולר, גידול של 28% מאשתקד | הכנסות מענן בסך 110 מיליון דולר, גידול של 28% מאשתקד |
| שיעור רווח גולמי של 65.3% לעומת 63.5% אשתקד | שיעור רווח גולמי של 70.6% לעומת 70.5% אשתקד |
| רווח תפעולי של 46 מיליון דולר בהשוואה ל- 26 מיליון דולר, גידול של 80% מאשתקד | רווח תפעולי של 85 מיליון דולר בהשוואה ל- 72 מיליון דולר, גידול של 19% מאשתקד |
| שיעור רווח תפעולי של 13.6% לעומת 8.3% אשתקד | שיעור רווח תפעולי של 24.7% לעומת 22.8% אשתקד |
| רווח למניה בדילול של 0.54 דולר בהשוואה ל- 0.33 דולר אשתקד, גידול של 64% | רווח למניה בדילול מלא של 1.06 דולר בהשוואה ל- 0.90 דולר אשתקד, גידול של 18% |

עמודת ה-GAAP שבטבלה שלמעלה מכילה נתונים פיננסיים נבחרים לרבעון השני של 2018 תחת התקינה החשבונאית ASC 606 עם נתוני השוואה לתקופה המקבילה תחת התקינה החשבונאית ASC 605.

עמודת ה-Non-GAAP שבטבלה שלמעלה מכילה נתונים פיננסיים נבחרים לרבעון השני של 2018 תחת התקינה החשבונאית ASC 605 עם נתוני השוואה לתקופה המקבילה תחת התקינה החשבונאית ASC 605.

"המשך מימוש התוכנית האסטרטגית שלנו ועמודי התווך שלה הכוללים ענן, אנליטיקס ובינה מלאכותית, הוביל לרבעון נוסף של צמיחה דו ספרתית בהכנסות וברווח למניה. אנו מאמינים שאנו נמצאים בשלבים המוקדמים של מימוש האסטרטגיה שלנו ובפנינו עומדות הזדמנויות צמיחה משמעותיות בעתיד", אמר ברק עילם, מנכ"ל נייס.

מר עילם המשיך, "חלק משמעותי מהאסטרטגיה הוא תחום הענן שצמח ב- 28% ברבעון השני, צמיחה שנבעה מהמשך ההצלחה של CXone, פלטפורמת הענן הפתוחה היחידה בתעשייה שלנו וכוללת היצע רחב של מוצרים בתחום חווית הלקוח. אנו עדים לתנועה הולכת וגוברת של מעבר ארגונים גדולים לענן, ואנו מנצלים הזדמנות זו בצורה המיטבית באמצעות CXone.

גם לפתרונות האנליטיקס הייתה תרומה נכבדה לתוצאות החזקות של הרבעון השני. פתרונות האנליטיקס הכוללים בתוכם בינה מלאכותית, כגון Robotic Process Automation ו-ActimizeWatch, סייעו להמשך ההצלחה של פתרונות האנליטיקס שלנו".

עיקרי התוצאות הפיננסיות (GAAP) לרבעון השני שהסתיים ב- 30 ביוני:

נתוני ה-GAAP המוצגים למטה עבור הרבעון השני של 2018 מדווחים לפי ASC 606 ונתוני GAAP ההשוואתיים של הרבעון השני של 2017 מדווחים לפי ASC 605.

הכנסות: ההכנסות ברבעון השני של 2018 גדלו ב-9.8% ל-342.0 מיליון דולר, לעומת 311.5 מיליון דולר ברבעון השני של 2017.

רווח גולמי: הרווח הגולמי ושיעור הרווח הגולמי ברבעון השני של 2018 גדלו ל-223.4 מיליון דולר ו-65.3%, בהתאמה, לעומת 197.9 מיליון דולר ו-63.5%, בהתאמה, ברבעון השני של 2017.

רווח תפעולי: הרווח התפעולי ושיעור הרווח התפעולי ברבעון השני של 2018 גדלו ל-46.4 מיליון דולר ו-13.6%, בהתאמה, לעומת 25.8 מיליון דולר ו-8.3%, בהתאמה, ברבעון השני של 2017.

רווח נקי: הרווח הנקי ושיעור הרווח הנקי ברבעון השני של 2018 גדלו ל-34.2 מיליון דולר ו-10.0%, בהתאמה, לעומת 20.4 מיליון דולר ו-6.6%, בהתאמה, ברבעון השני של 2017.

רווח למניה בדילול מלא: הרווח למניה בדילול מלא ברבעון השני של 2018 גדל ל-0.54 דולר לעומת 0.33 דולר ברבעון השני של 2017.

תזרים המזומנים מפעילות שוטפת ויתרת מזומנים: תזרים המזומנים מפעילות שוטפת ברבעון השני של 2018 היה 63.8 מיליון דולר. ברבעון השני 6.4 מיליון דולר שימשו לרכישה חוזרת של מניות. נכון ל-30 ביוני 2018, יתרות המזומנים ושווי המזומנים, וכן השקעות לטווח קצר וארוך הסתכמו ב-688.5 מיליון דולר. סך החוב הסתכם ב-451.7 מיליון דולר.

עיקרי התוצאות הפיננסיות (Non-GAAP) לרבעון השני שהסתיים ב- 30 ביוני:

נתוני ה-Non-GAAP המוצגים למטה עבור הרבעון השני של 2018 ונתוני Non-GAAP ההשוואתיים של הרבעון השני של 2017 מדווחים לפי ASC 605.

הכנסות: ההכנסות (Non-GAAP) ברבעון השני של 2018 גדלו ל-345.4 מיליון דולר, גידול של 9.5% לעומת 315.3 מיליון דולר ברבעון השני של 2017.

רווח גולמי: הרווח הגולמי (Non-GAAP) ושיעור הרווח הגולמי (Non-GAAP) ברבעון השני של 2018 גדלו ל-243.8 מיליון דולר ו-70.6%, בהתאמה, לעומת 222.3 מיליון דולר ו-70.5%, בהתאמה, ברבעון השני של 2017.

רווח תפעולי: הרווח התפעולי (Non-GAAP) ושיעור הרווח התפעולי (Non-GAAP) ברבעון השני של 2018 גדלו ל-85.4 מיליון דולר ו-24.7%, בהתאמה, לעומת 72.0 מיליון דולר ו-22.8%, בהתאמה, ברבעון השני של 2017.

רווח נקי: הרווח הנקי (Non-GAAP) ושיעור הרווח הנקי (Non-GAAP) ברבעון השני של 2018 גדלו ל-66.7 מיליון דולר ו-19.3%, בהתאמה, לעומת 56.0 מיליון דולר ו-17.8%, בהתאמה, ברבעון השני של 2017.

רווח למניה בדילול מלא: הרווח (Non-GAAP) למניה בדילול מלא ברבעון השני של 2018 גדל ב-17.8% ל-1.06 דולר לעומת 0.90 דולר ברבעון השני של 2017.

תחזית לרבעון השלישי ולשנת 2018:

התחזיות לרבעון השלישי ולשנת 2018 ניתנות לפי ASC 605 על מנת לאפשר שקיפות והשוואה טובה יותר לנתונים הפיננסיים של 2017, שדווחו לפי ASC 605.

התחזיות להלן אינן כוללות את חברת Mattersight שהעסקה לרכישתה טרם הושלמה.

הרבעון השלישי של 2018: סך ההכנסות (Non-GAAP) ברבעון השלישי של 2018, צפוי להסתכם ב-347 מיליון דולר עד 357 מיליון דולר. הרווח (Non-GAAP) למניה בדילול מלא ברבעון השלישי של 2018 צפוי להיות בטווח של 1.04 דולר עד 1.10 דולר.

שנת 2018: החברה מאשררת את תחזית סך ההכנסות (Non-GAAP) בשנת 2018 שצפויה להסתכם ב-1,434 מיליון דולר עד 1,458 מיליון דולר. החברה מעלה את תחזית הרווח (Non-GAAP) למניה בדילול מלא בשנת 2018 וצפויה להיות בטווח של 4.46 דולר עד 4.66 דולר.

אימוץ התקינה החשבונאית החדשה להכרה בהכנסות – ASC 606

נייס אימצה את התקינה החשבונאית החדשה להכרה בהכנסות, ASC 606, החל מה-1 לינואר 2018, לפי השיטה הרטרופקטיבית המתואמת. התוצאות הפיננסיות לתקופות המדווחות במהלך 2018 מוצגות בהתאם ל-ASC 606. נתונים פיננסיים היסטוריים לתקופות שדווחו לפני 2018 מוצגות בהתאם למספרים שדווחו בעבר תחת התקינה הקודמת להכרה בהכנסות, ASC 605. למידע נוסף על ההשפעה של התקינה החדשה להכרה בהכנסות על התוצאות הפיננסיות של החברה לרבעון שהסתיים ב-30 ביוני 2018, ראו מסמך באנגלית.

שיחת ועידה לדיון בתוצאות הרבעוניות

הנהלת נייס תארח שיחת ועידה לדיון בתוצאות הפיננסיות ובתחזית החברה היום, 9 באוגוסט, 2018, בשעה 8:30 בבוקר שעון החוף המזרחי של ארה"ב, 13:30 לפי שעון גריניץ' ו-15:30 לפי שעון ישראל. להשתתפות בשיחה יש לחייג את המספרים הבאים: מארה"ב: 1-866-804-8688 או 1-718-354-1175. ממדינות אחרות 001-1296-311-600 (44); מבריטניה 0-800-1161-678; מישראל: 1-809-344-364. קוד הכניסה הוא 37 901 783. מספרי גישה נוספים מוצגים ב-http://www.btconferencing.com/globalaccess/?bid=54_attended. השיחה תשודר באינטרנט בשידור חי באתר החברה בכתובת <http://www.nice.com/news-and-events/ir-events> ותהיה זמינה להאזנה כשעתיים אחרי השיחה. הקלטה של השיחה תעמוד לרשות המעוניינים למשך 7 ימים אחרי השידור החי וניתן להאזין לה באמצעות חיוג המספר 1-877-482-6144 מארה"ב, 20-7136-9233 (44) ממדינות אחרות ו-001-800-032-9687 מבריטניה. קוד הכניסה להקלטה הוא 287 261 71.

אודות נייס

נייס (NASDAQ: NICE, ת"א: נייס) הינה המובילה העולמית במתן פתרונות תוכנה, הן ברישיונות תוכנה והן בענן, המאפשרים לארגונים לנקוט בפעולה הבאה הטובה ביותר באמצעות כלים אנליטיים המנתחים מידע מובנה ושאינו מובנה. הפתרונות של נייס מסייעים לארגונים לשפר את חוויית הלקוח, להבטיח ציות לרגולציה, להיאבק בפשיעה פיננסית ולשמור על נכסים. הפתרונות של נייס נמצאים בשימוש של יותר מ-25,000 ארגונים ביותר מ-150 מדינות, כולל מעל 85 מהחברות המדורגות ב-Fortune 100.

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מסמך זה מהווה תרגום נוחות בלבד לעיקרי הדוחות ולהודעה לעיתונות באנגלית שפורסמה בארה"ב, המחייבת מבחינת החברה, והכוללת מידע נוסף, בין היתר בנוגע להפרשים בין GAAP ל-Non-GAAP.

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Forward-Looking Statements

This press release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements may be identified by words such as “believe,” “expect,” “seek,” “may,” “will,” “intend,” “should,” “project,” “anticipate,” “plan,” and similar expressions. Forward-looking statements are based on the current beliefs, expectations and assumptions of the Company’s management regarding the future of the Company’s business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Examples of forward-looking statements include guidance regarding the Company’s revenue and earnings and the growth of our cloud, analytics and artificial intelligence business.

Forward looking statements are inherently subject to significant economic, competitive and other uncertainties and contingencies, many of which are beyond the control of management. The Company cautions that these statements are not guarantees of future performance, and investors should not place undue reliance on them. There are or will be important known and unknown factors and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. These factors, include, but are not limited to, risks associated with competition, success and growth of the Company’s cloud Software-as-a-Service business, cyber security attacks or other security breaches against the Company, privacy concerns and legislation impacting the Company’s business, the Company’s dependency on third-party cloud computing platform providers, hosting facilities and service partners, changes in general economic and business conditions, rapidly changing technology, changes in currency exchange rates and interest rates, difficulties in making additional acquisitions or effectively integrating acquired operations, products, technologies and personnel (including, with respect to the Company’s proposed acquisition of Mattersight Corporation), successful execution of the Company’s growth strategy, the effects of tax reforms and of newly enacted or modified laws, regulation or standards on the Company and its products, and other factors and uncertainties discussed in our filings with the U.S. Securities and Exchange Commission (the “SEC”). You are encouraged to carefully review the section entitled “Risk Factors” in our latest Annual Report on Form 20-F and our other filings with the SEC for additional information regarding these and other factors and uncertainties that could affect our future performance. The forward-looking statements contained in this presentation speak only as of the date hereof, and the Company undertakes no obligation to update or revise them, whether as a result of new information, future developments or otherwise, except as required by law.

לפרטים נוספים ניתן ליצור קשר עם: ענת פז, שרף תקשורת 052-720-2715, anat@scherfcom.com