Complementary Summary of Omnicell Q3 2013 Results: October 31, 2013

This complementary summary of Omnicell financial results includes forward-looking statements subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied. For a more detailed description of the risks that impact these forward-looking statements, please refer to the information under the heading "Risk Factors" and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Omnicell annual report on Form 10-K filed with the SEC on March 11, 2013, as well as more recent reports filed with the SEC. Please be aware that undue reliance should not be placed on any forward-looking statements made herein.

All forward-looking statements are based on the beliefs of Omnicell as of this date only. Future events or simply the passage of time may cause these beliefs to change.

Omnicell Business Update

We are very pleased with the performance of the company so far this year. Omnicell set many company records in the third quarter of 2013, including record revenue, record orders, and record earnings. Year-over-year growth in Q3 is 12% and we continue on a pace to meet all our year-end guidance. Our success during the quarter was widespread across the business. Consistent with prior years, Q3 was a very strong quarter for United States government orders, where we count over half of the Veteran's Administration hospitals as customers.

We also continue to see expanding business for our cabinet-based medication control solutions in the non-acute care market. In particular, Omnicare increased their commitment to Omnicell automation with new orders expanding their use of Automated Dispensing Systems for first doses and narcotics in long term care facilities.

We also had very good repeat business from some of our largest accounts who upgraded their systems to G4 or expanded their footprint of Omnicell automation. Longstanding customers such as the University of Florida Shands, the University of

Michigan, Reid Hospital of Indiana, and Queens Hospital in Hawaii were just some of those who extended their use of Omnicell solutions. And consistent with every quarter over the past eight years, we had several multi-hospital wins during the quarter. One of the more unique wins that we publicly announced was Victory Healthcare in Texas, which is a system of specialized surgical hospitals that is implementing G4 OmniRX automated dispensing systems, our Anesthesia Workstations, and our Controlled Substance Management system.

Our results continue to be driven by our three-leg strategy. Those three legs are market expansion through the delivery of differentiated, innovative solutions, expansion into new markets primarily outside the US, and expansion through strategic partnerships and acquisition of new technologies. We continue to make investments in all three of these areas. We believe these investments are paying off by distinguishing Omnicell with our customers, and helped drive the great results we had this quarter.

Our first leg of delivering differentiated, innovative solutions is bringing us into exciting new opportunities such as medication adherence solutions. International adoption of multi-med adherence packaging, which is more advanced than in the United States, continues to grow by double digits. With approximately 550,000 patients receiving medications through our adherence packages every week in Europe, we continue to believe this is an excellent growth market. While our second leg of expanding into new markets is primarily focused on International, expanded use of our automated dispensing solutions is driving growth in the non-acute segment. In the acquisition and partnership leg of our strategy, development with the Cerner iBus continues. We demonstrated advanced interoperability at the Cerner User Conference and we now have our first customer live with interoperability between Cerner Electronic Medical Records and Omnicell systems.

The healthcare industry is evolving to tackle the many challenges of changing regulations and economics. Providers are consolidating and care is moving to less costly environments. Healthcare institutions have new laws to navigate and face lower reimbursements per patient. And the move to managing population health has started. We know that when patients get the right medication and take it at the right time, the outcomes of healthcare improve. Omnicell is aligned with the long term trends of the healthcare market to manage the health of patients across the continuum of care. Our customers want and need sophisticated solutions to manage medications wherever their patients are, and we have the resources to be *the* company that provides those solutions. Omnicell solutions help our customers improve clinical outcomes, maintain regulatory compliance, and save money, all critical measures our customers have in the evolving landscape of healthcare reform. These position Omnicell uniquely for continued success.

Q3 Results

We certainly have many good results to discuss. This is the first quarter of 2013 in which we have year-to-year comparisons that include the results of the MTS acquisition in both 2012 and 2013. On that like-for-like basis, revenues of $94.0 million were up 12% from Q3 2012. As indicated earlier, we had record orders, and 35% of our automated dispensing system orders were from new and competitive conversion customers in Q3, with about half of that coming from competitive conversions and half from greenfield customers who had never purchased automation before. Rounding out the highlights of the quarter, our Q3 non-GAAP EPS exceeded analyst expectations by $0.03 and cash grew $29 million during the quarter to $116 million, one of the largest single quarter increases in company history.

GAAP earnings per share were $0.21, up one cent from $0.20 in Q3 2012, and up 4 cents sequentially from $0.17 in Q2 2013. Similar to Q3 last year when we had some benefits that we did not expect to repeat, included in GAAP earnings this quarter were benefits in our tax rate mainly associated with the disposition of employee stock. Several of the executive and employee stock incentive programs do not allow for a tax deduction at the time the stock compensation charge is recorded in the P&L. That tax benefit is only allowed when the employee exercises the option or sells the stock. There have been many quarters throughout our history in which our tax rate was a little higher because we were unable to take the deduction. In Q3 of 2013, we had a cumulative benefit from employee stock sales that positively affected our tax rate and drove $0.03 of earnings benefit. This benefit is reflected in our GAAP and non-GAAP earnings.

We report our results on a non-GAAP basis in addition to GAAP. Non-GAAP excludes stock compensation expense, amortization of intangible assets associated with acquisitions, and any one-time costs or benefits. We use Non-GAAP financial statements in addition to GAAP financial statements, because we believe it is useful for investors to understand acquisition-related costs and non-cash stock compensation expenses that are a component of our reported results and the results from on-going operations excluding one-time events. A full reconciliation of our GAAP to non-GAAP results is included in our third quarter earnings press release and is posted on our web site.

On a non-GAAP basis, earnings per share was $0.31 in Q3, up 2 cents from $0.29 in Q3 2012 and $0.03 over analyst expectations. Non-GAAP EPS was up sequentially 4 cents from $0.27 in Q2 2013. The non-GAAP results also include the $0.03 tax benefits mentioned earlier. Non-GAAP operating margins were 15.5%, consistent with our expectations.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, which also excludes stock compensation amortization and the amortization of acquisition related costs, was $18.0 million for the third quarter of 2013, up 7% from last quarter.

Our Acute Care segment, which includes everything we sell to hospitals, contributed $70.6 million in revenue and $11.9 million of non-GAAP operating income in Q3 2013, or roughly 80% of the total non-GAAP operating income of the company. Operating margin in the Acute Care segment was 16.9%

Our Non-Acute Care business consists of solutions sold outside the hospital setting, including equipment and consumables that manage medications through adherence packages and dispensing systems sold to institutions serving long term care needs. The Non-Acute segment contributed $23.4 million of revenue to the quarter and $2.6 million of non-GAAP operating income, or roughly 20% of the total non-GAAP operating income of the company. Operating margin in the Non-Acute Care segment was 11.3%.

We had outstanding balance sheet performance this quarter. Cash was $116 million, up $29 million from Q2 2013. $15 million of the cash increase was driven by strong profitability, $2 million from improvements in working capital, and $12 million from the exercise of employee stock options and our employee stock purchase program. During the quarter we put in place a revolving debt facility for $75 million with an option to expand to $100 million. The facility was put in place to provide us flexibility to complete acquisitions of larger magnitude than our cash balances would allow. Accounts receivable days sales outstanding were 63, flat to last quarter. Inventories were $31 million, up $4 million from last quarter with the bulk of the increase in built-to-order finished goods slated for upcoming installation. Headcount was 1126, up 33 from last quarter.

Looking forward, we believe we are right on track to the growth guidance we gave in January and the increased EPS guidance we gave in April and we are now narrowing our guidance ranges. We previously expected revenue to be between $370 and $380 million. We are now narrowing that guidance range to between $375 and $378 million, an increase from 2012 of 19-20%. We expect revenue growth for the Acute Care segment, which is all organic, to be up 10-12% from 2012 to 2013. Revenue for the Non-Acute segment is expected to be up 60-70%, primarily reflecting the full year of the MTS product line.

We previously gave a range for non-GAAP earnings to be $0.99 to $1.07 per share. We are now comfortable that we will be at the high end of that range, between $1.05 and $1.07. EPS estimates assume a tax rate of 36% on GAAP earnings in Q4. Although revenue will grow in Q4, we expect product gross margin to be down due to mix, as we record revenue on large international orders. We expect 2013 year-end product backlog to be between $160 and $165 million and product bookings to be between $305 and $315 million, consistent with prior guidance.

Our guidance anticipates another record revenue quarter in Q4 2013 and steady contribution from both our Acute and Non-Acute Care segments.

Omnicell, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share data, unaudited)

	Three Months Ended			Nine Months Ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Revenues:					
Product	$ 75,508	$ 75,581	$ 67,446	$ 220,325	$ 175,239
Services and other revenues	18,531	18,105	16,885	54,510	48,619
Total revenue	94,039	93,686	84,331	274,835	223,858
Cost of revenues:					
Cost of product revenues	33,977	36,286	30,636	103,810	79,532
Cost of services and other revenues	8,022	8,032	7,608	24,250	23,114
Total cost of revenues	41,999	44,318	38,244	128,060	102,646
Gross profit	52,040	49,368	46,087	146,775	121,212
Operating expenses:					
Research and development	6,561	7,150	5,545	21,665	17,538
Selling, general, and administrative	34,762	32,859	29,316	100,866	86,382
Total operating expenses	41,323	40,009	34,861	122,531	103,920
Income from operations	10,717	9,359	11,226	24,244	17,292
Other income and (expense), net	25	63	34	(134)	57
Income before provision for income taxes	10,742	9,422	11,260	24,110	17,349
Provision for income taxes	2,987	3,406	4,340	6,954	6,703
Net income	$ 7,755	$ 6,016	$ 6,920	$ 17,156	$ 10,646
Net income per share:					
Basic	$ 0.22	$ 0.17	$ 0.21	$ 0.50	$ 0.32
Diluted	$ 0.21	$ 0.17	$ 0.20	$ 0.48	$ 0.31
Weighted average shares outstanding:					
Basic	35,133	34,450	33,193	34,499	33,316
Diluted	36,190	35,374	34,068	35,466	34,241

Omnicell, Inc.
Condensed Consolidated Balance Sheets
(In thousands)

	September 30, 2013 (unaudited)	December 31, 2012 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 116,190	$ 62,313
Accounts receivable, net	63,999	55,116
Inventories	30,705	26,903
Prepaid expenses	16,234	15,392
Deferred tax assets	11,860	11,860
Other current assets	8,052	9,172
Total current assets	247,040	180,756
Property and equipment, net	33,492	34,107
Non-current net investment in sales-type leases	12,398	13,228
Goodwill	111,343	111,407
Other intangible assets	82,530	85,550
Non-current deferred tax assets	1,293	993
Other assets	17,069	15,778
Total assets	$ 505,165	$ 441,819
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 24,717	$ 18,255
Accrued compensation	12,876	11,613
Accrued liabilities	13,200	11,988
Deferred service revenue	22,247	20,449
Deferred gross profit	25,206	20,772
Total current liabilities	98,246	83,077
Non-current deferred service revenue	17,657	19,892
Non-current deferred tax liabilities	26,053	26,491
Other long-term liabilities	5,423	4,809
Total liabilities	147,379	134,269
Stockholders' equity:		
Total stockholders' equity	357,786	307,550
Total liabilities and stockholders' equity	$ 505,165	$ 441,819

(1) Information derived from our December 31, 2012 audited Consolidated Financial Statements.

Omnicell, Inc.
Reconciliation of GAAP to Non-GAAP
(In thousands, except per share data, unaudited)

	Three months ended					
	September 30, 2013		June 31, 2013		September 30, 2012	
	Net income	Net income per share-diluted	Net income	Net income per share-diluted	Net income	Net income per share-diluted
GAAP	$ 7,755	$ 0.21	$ 6,016	$ 0.17	$ 6,920	$ 0.20
Non-GAAP adjustments:						
Amortization of intangible assets acquired by acquisition	1,060		1,060		1,057	
Subtotal pretax adjustments	1,060		1,060		1,057	
Income tax effect of non-GAAP adjustments (a)	(295)		(382)		(407)	
Subtotal after-tax adjustments	765		678		650	
ASC 718 share-based compensation adjustment (b)						
Gross profit	325		325		275	
Operating expenses	2,485		2,362		2,086	
Total after-tax adjustments	3,575	0.10	3,365	0.10	3,011	0.09
Non-GAAP	$ 11,330	$ 0.31	$ 9,381	$ 0.27	$ 9,931	$ 0.29

(a) Tax effects are calculated using the effective tax rates for the respective periods presented.

(b) This adjustment reflects the accounting impact of non-cash stock-based compensation expense related to the impact of ASC 718 for the periods shown.

Omnicell, Inc.
Reconciliation of GAAP to Non-GAAP
(In thousands, except per share data, unaudited)

	Nine months ended			
	September 30, 2013		September 30, 2012	
	Net income	Net income per share-diluted	Net income	Net income per share-diluted
GAAP	$ 17,156	$ 0.48	$ 10,646	$ 0.31
Non-GAAP adjustments:				
Business acquisition costs				
Reorganization costs (a)	732		—	
Transaction and integration costs for acquisitions (b)	—		4,855	
Amortization of intangible assets acquired by acquisition (c)	3,180		1,615	
Subtotal pretax adjustments	3,912		6,470	
Income tax effect of non-GAAP adjustments (d)	(1,395)		(2,663)	
Subtotal after-tax adjustments	2,517		3,807	
ASC 718 share-based compensation adjustment (e)				
Gross profit	954		776	
Operating expenses	7,469		6,005	
Total after tax adjustments	10,940	0.31	10,588	0.31
Non-GAAP	28,096	$ 0.79	$ 21,234	$ 0.62

(a) This adjustment is for reorganization costs related to our Non-Acute Care segment for the nine months ended September 30, 2013.

(b) This adjustment is for the incurrence of transaction and integration costs related to our acquisition of MTS in May 2012.

(c) Beginning with the second quarter of 2012, we are recognizing the amortization expense resulting from all intangible assets recorded from business acquisitions as a non-GAAP adjustment, including MTS and prior acquisitions.

(d) Tax effects are calculated using the effective tax rates for the respective periods presented.

(e) This adjustment reflects the accounting impact of non-cash stock-based compensation expense related to the impact of ASC 718 for the periods shown.

Omnicell, Inc.
Calculation of Adjusted EBITDA (1)
(In thousands, unaudited)

	Three Months Ended			Nine months ended	
	September 30, 2013	June 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
GAAP net income	$ 7,755	$ 6,016	$ 6,920	$ 17,156	$ 10,646
Add back:					
ASC 718 stock compensation expense	2,810	2,687	2,361	8,423	6,781
Reorganization costs	—	—	—	732	—
Transaction and integration costs for acquisitions, pre-tax	—	—	—	—	4,855
Interest	(14)	(7)	9	85	(46)
Depreciation and amortization expense	4,488	4,773	3,913	13,732	9,246
Income tax expense	2,987	3,406	4,340	6,954	6,703
Non-GAAP adjusted EBITDA (1)	$ 18,025	$ 16,875	$ 17,543	$ 47,081	$ 38,185

(1) Defined as earnings before interest income and expense, taxes, depreciation and amortization, and non-cash expenses, including stock compensation expense, per ASC 718, as well as excluding certain non-GAAP adjustments. The non-GAAP adjustments for the nine months ended September 30, 2012 exclude transaction and integration costs for MTS, acquired in May 2012.