Complementary Summary of Omnicell Q1 2013 Results: May 2, 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

Omnicell's momentum from the second half of 2012 has continued through the first quarter of 2013. Our revenue is in line with expectations, earnings are ahead of our guidance for Q1, and our business grew 36% year to year organically and from our acquisition of MTS.

Investments in our three-leg strategy over the past several years continue to drive our success. The first leg of our strategy, which is expansion in the U.S. market through the delivery of differentiated, innovative solutions, has generated another set of new customer wins in Q1 across all types of hospital systems and continued automation footprint expansion among existing customers.

The second leg of our strategy is expansion outside the US where our systems are just beginning to be adopted. While still a small part of Omnicell, our international business continues to enjoy positive momentum with more initial installations in China and orders now being booked from our 2012 contract win with AP-HP in France.

The final leg of our strategy is to expand through strategic partnerships and acquisition of new technologies. The actions we took in 2012 are allowing us to use our medication management expertise to bring more comprehensive solutions to customers across a broader spectrum of healthcare. This includes our alliance with Cerner to deliver enhanced interoperability for acute care customers and our acquisition of MTS to deliver advanced automation to non-acute care customers. Through MTS we are also reaching the home with our multi-medication solutions that are at the forefront of medication adherence. Every day, over a quarter of a million patients are utilizing medication adherence packaging from Omnicell in the UK alone, and adoption is starting in other European markets.

In Q1 we saw new accounts moving to Omnicell in all areas of our business. In the for-profit hospital sector, we are very pleased to announce that Vanguard Health Systems, a 7000-bed, 28-hospital organization headquartered in Nashville, has chosen to convert all their hospitals to our medication systems over the next few years. The contract is signed with Vanguard and we have already taken some small initial orders with more orders expected later in 2013. Vanguard is adopting our G4 automated dispensing systems with some of our newest capabilities such as patient specific medication identification. They are also adopting our Controlled Substance Management system, our Anesthesia Workstations for operating rooms, and our Pandora Analytics software.

Among not-for-profit hospitals, Lucile Packard Children's Hospital, located on the Stanford University campus in California, has decided to replace their current medication control systems with OmniRx. Lucile Packard is one of the premier pediatric health centers in the US and is in the process of building a new hospital and upgrading all their systems. We have a great record of competitive conversions at leading teaching institutions which are looking for the highest levels of medication management capability available and we're proud that Lucile Packard chose to move to Omnicell.

In addition to the healthcare institutions in the private sector, we have always been strong with government institutions, and that continued in Q1 with new accounts in the Veterans Administration and a decision by the State of California to fit out a new 700-bed prison hospital with our systems. At the heart of all these new customer decisions is our OmniRx Automated Medication Control solution, a system that, in 2012, won the top award from the prestigious third party rating firm KLAS for the seventh consecutive year.

In Q1 our non-acute care business segment performed well, with revenue meeting our expectations. We're happy with how the integration of our MTS acquisition progressed last year, and have recently taken the next step by aligning the management structure into the existing departmental organization structure of Omnicell. As a result, management of research and development, manufacturing, and marketing are all now fully integrated in addition to administrative functions that were consolidated in 2012. Through this process Bill Shields, who has headed the MTS subsidiary since the acquisition, and a few other staff members, have left the company. Offsetting these reductions are new staff we have added to put more emphasis on sales, marketing, product development and operations of medication adherence solutions. We would like to thank Bill for his contributions to leading MTS through the sale of the company and through the first nine months of integration with Omnicell and wish him all the best in his next endeavor. The acquisition of MTS has provided us with multiple significant opportunities in medication adherence and for market expansion. The changes we made in Q1 resulted in some unusual charges, and align and focus us more on the long term opportunities ahead. We are confident that our integrated management structure and added resources position the company well to execute on these growth opportunities.

On average, four times a week a new customer is installing an Omnicell system. Customers such as Vanguard and Lucile Packard make well-informed decisions and to win them Omnicell had to be able to demonstrate value and partnership that helps them through the evolving and constrained

healthcare environment. For example, our recent studies conducted at multiple hospital sites showed that it was approximately eight times more expensive to distribute a dose manually than it was utilizing our medication distribution systems. The more of Omnicell automation a hospital uses, the more efficiency that is gained. In the non-acute side of healthcare we offer a medication adherence solution that can significantly reduce the problem of patients not adhering to their medication routine. A problem that is estimated by the New England Health Institute to cost $293 billion and cause 125,000 deaths a year in the U.S. alone. We are very optimistic that we are participating in growth markets where we have the technology and the skills to deliver long-term value to customers worldwide as healthcare moves to new levels of safety and efficiency.

Q3 Results

As mentioned previously, once again we had a very good quarter for new customer wins. Consistent with the last eight years, 37% of our automated dispensing system orders were from new and competitive conversion customers with approximately one half coming from competitive conversions and one half from greenfield customers who had never purchased automation before.

Our Q1 revenue is in the middle of the guidance range we provided on our last investor call and non-GAAP EPS exceeded our guidance by $0.02. Cash grew $8 million during the quarter to $70 million. Operationally, it was a good quarter.

Our revenues were $87.1 million. As we guided, revenue was down 3% sequentially but up 36% from Q1 2012. The revenue decline sequentially simply reflects installation timing. We had record backlog at the end of 2012, much of it with larger customer institutions. Larger installations, especially with new customers, tend to take longer to complete. Many are now underway and we expect them to flow into the revenue process through the remainder of 2013, which is fully contemplated in our annual

forecast. GAAP earnings per share were $0.10, up 43% from Q1 2012, and contain some unusual one-time charges that largely offset each other. As Randy mentioned, in Q1 we realigned organizationally, resulting in a one-time pre-tax restructuring charge of $0.7 million comprised of severance related costs. During Q1 we also recognized a $1.8 million pre-tax impairment of software engineering expense that had previously been capitalized. The impairment recognizes that we will not continue with some specific technologies that were in the later stages of the development cycle.

The impairment is reflected in the Research and Development line of the P&L in the non-acute segment. This is an unusual charge that we have not experienced in Omnicell before and we don't expect to encounter again. Offsetting this impairment charge are lower variable compensation expenses in the quarter. Variable compensation comprises, on average, about 15% of the potential quarterly compensation for Omnicell employees and is based on a combination of company and individual goals. Because of the software impairment, we did not achieve our company financial goals; consequently a significant portion of the variable compensation was not earned. Variable Compensation is reflected in every cost and expense line of the P&L, but most heavily affected the Sales, General and Administrative expense line.

Our Q1 results also reflect some unusual tax activity that I'd like to explain. The R&D tax credit was renewed by congress in early January retroactive to January 2012 and prospective through 2013. Following accounting convention, the benefits from 2012 are recorded in Q1 when the law was passed. We had anticipated the R&D tax credit in our forecasts, but the actual credit was a little larger than we planned for, providing some additional benefit to Q1. We also had tax credits related to stock option exercises. Overall on a GAAP basis, our taxable income was $3.9 million and our normal tax provision was $1.6 million. The tax credits totaled $1.0M, resulting in a Q1 tax provision of $0.6 million.

To summarize all the unusual items in the results, we had a restructuring charge of $0.7 million and an impairment charge of $1.8 million that was largely offset by lower variable compensation expense. We had anticipated some tax credits in Q1, but they were larger than expected. Underlying these events, our business performed solidly at or above expectations

In addition to GAAP financial results, we report our results on a Non-GAAP basis which excludes stock compensation expense, amortization of intangible assets associated with acquisitions, and any one-time costs or benefits. In Q1 we have excluded the $0.7 million severance costs in calculating our Non-GAAP earnings, but not the software impairment charge of $1.8 million or the offsetting reduced variable compensation expenses as we view those as more operational events. 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 first quarter earnings press release and is posted on our web site.

On a Non-GAAP basis, earnings per share was $0.21 in Q1, up 62% from 2012 and $0.02 over analyst expectations. Non-GAAP EPS was down sequentially from $0.25 in Q4 2012, as expected, but up from $0.13 in Q1 of 2012. The sequential decline from Q4 2012 occurred because Omnicell has some seasonally high expenses in Q1 of every year that affect both cost and operating expenses. In addition, from time to time, the mix of products installed in any one quarter fluctuates with installation schedules. We had more lower margin products installed in Q1 on the acute care part of our business which lowered overall gross margin, but was consistent with our expectations and guidance.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, which also excludes stock compensation amortization, the amortization of

acquisition related costs, and the one-time charge, was $12.2 million for the first quarter of 2013, up 48% from $8.2 million a year ago.

Our acute care segment, which includes everything we sell to hospitals, contributed $66.0 million in revenue and $6.6 million of non-GAAP operating income in Q1 2013, or roughly 75% of the total non-GAAP operating income of the company.

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. About 80% of the non-acute segment revenue is comprised of consumables used by pharmacists to make blister cards that are at the center of medication control in most non-acute care facilities. The non-acute segment contributed $21.1 million of revenue to the quarter and $2.2 million of non-GAAP operating income, or 25% of the total non-GAAP operating income of the company.

The balance sheet continues to be strong. Cash was $70 million, up $8 million from Q4 2012. Accounts Receivable days sales outstanding were 69, up from 56 days from last quarter. In Q4 2012 we took a large order from the Sidra hospital in Qatar that fully shipped in Q1 but the payment terms extend into Q2. In addition, our installation mix was less weighted to leases, which have a quicker collection cycle than purchases. These two factors drove DSO up in Q2 but we expect both to be temporary. We expect DSO to be in the 55 to 65 day range in the future. Inventories were $26 million, down $1 million from last quarter. Our headcount was 1097, up from 1088 at the end of 2012.

Looking forward, we believe we are right on track to the guidance we gave in January with some increases in earnings expectations. We expect revenue to be between $370 and $380 million, an increase of 18-21%. 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%, reflecting the full year of the MTS product line. We previously expected Non-GAAP earnings to be between $0.97 and $1.05 per share. Because of the results in Q1, we now expect non-GAAP earnings to be $0.99 to $1.07 per share, up 14-22% year to year. EPS estimates assume an annual tax rate of 38% on GAAP earnings. We expect steady revenue and earnings growth through the year and to finish with an average annual operating income in the 14-16% range. We expect 2013 year end product backlog to be between $160 and $165 million and product bookings to be between $305 and $315 million. Except for the increase in EPS guidance and the tax rate, all this guidance is the same as was provided in January.

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

	Three Months Ended		
	March 31, 2013 (unaudited)	December 31, 2012 (unaudited)	March 31, 2012 (unaudited)
Revenues:			
Product	$ 69,236	$ 72,415	$ 48,524
Services and other revenues	17,874	17,754	15,619
Total revenue	87,110	90,169	64,143
Cost of revenues:			
Cost of product revenues	33,547	32,837	20,296
Cost of services and other revenues	8,196	7,956	8,098
Total cost of revenues	41,743	40,793	28,394
Gross profit	45,367	49,376	35,749
Operating expenses:			
Research and development	7,954	6,188	6,494
Selling, general, and administrative	33,244	33,354	25,620
Total operating expenses	41,198	39,542	32,114
Income from operations	4,169	9,834	3,635
Other income and (expense), net	(223)	(108)	96
Income before provision for income taxes	3,946	9,726	3,731
Provision for income taxes	561	4,194	1,380
Net income	$ 3,385	$ 5,532	$ 2,351
Net income per share:			
Basic	$ 0.10	$ 0.17	$ 0.07
Diluted	$ 0.10	$ 0.16	$ 0.07
Weighted average shares outstanding:			
Basic	33,900	33,282	33,365
Diluted	34,820	34,128	34,341

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

	March 31, 2013 (unaudited)	December 31, 2012 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 69,817	$ 62,313
Short-term investments	—	—
Accounts receivable, net	65,703	55,116
Inventories	26,125	26,903
Prepaid expenses	16,049	15,392
Deferred tax assets	11,860	11,860
Other current assets	7,532	9,172
Total current assets	197,086	180,756
Property and equipment, net	34,697	34,107
Non-current net investment in sales-type leases	12,943	13,228
Goodwill	111,343	111,407
Other intangible assets	84,529	85,550
Non-current deferred tax assets	1,126	993
Other assets	15,633	15,778
Total assets	$ 457,357	$ 441,819
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 18,379	$ 18,255
Accrued compensation	6,948	11,613
Accrued liabilities	12,525	11,988
Deferred service revenue	20,821	20,449
Deferred gross profit	26,938	20,772
Total current liabilities	85,611	83,077
Non-current deferred service revenue	19,463	19,892
Non-current deferred tax liabilities	25,548	26,491
Other long-term liabilities	4,942	4,809
Total liabilities	135,564	134,269
Stockholders' equity:		
Total stockholders' equity	321,793	307,550
Total liabilities and stockholders' equity	$ 457,357	$ 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					
	March 31, 2013		**December 31, 2012**		**March 31, 2012**	
	Net income	**Net income per share-diluted**	**Net income**	**Net income per share-diluted**	**Net income**	**Net income per share-diluted**
GAAP	$ 3,385	$ 0.10	$ 5,532	$ 0.16	$ 2,351	$ 0.07
Non-GAAP adjustments:						
Business acquisition costs						
Reorganization costs (a)	732		—		—	
Amortization of intangible assets acquired by acquisition (b)	1,060		1,057		—	
Subtotal pretax adjustments	1,792		1,057		—	
Income tax effect of non-GAAP adjustments (c)	(716)		(423)		—	
Subtotal after-tax adjustments	1,076		634		—	
ASC 718 share-based compensation adjustment (d)						
Gross profit	305		236		268	
Operating expenses	2,621		2,197		1,939	
Total after-tax adjustments	4,002	0.11	3,067	0.09	2,207	0.06
Non-GAAP	$ 7,387	$ 0.21	$ 8,599	$ 0.25	$ 4,558	$ 0.13

(a) This adjustment is for reorganization costs related to our Non-Acute Care segment for the three months ended March 31, 2013.

(b) 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.

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

(d) 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		
	March 31, 2013	December 31, 2012	March 31, 2012
GAAP net income	$ 3,385	$ 5,532	$ 2,351
Add back:			
ASC 718 stock compensation expense	2,926	2,433	2,207
Reorganization costs	732	—	—
Interest	106	(2)	(31)
Depreciation and amortization expense	4,471	4,077	2,335
Income tax expense	561	4,194	1,380
Non-GAAP adjusted EBITDA (1)	$ 12,181	$ 16,234	$ 8,242

(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 excluding certain non-GAAP adjustments. The non-GAAP adjustments for the quarter ended March 31, 2013 also exclude transaction and integration costs for MTS, acquired in May 2012.