Complementary Summary of Q1 2016 Financial Results

This complementary summary of financial results will include 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 in our press release today, in the Omnicell annual report on Form 10-K filed with the SEC on February 26, 2016, and in other more recent reports filed with the SEC. Please be aware that you should not place undue reliance on any forward-looking statements made today.

We will first cover an update on our business, and then will cover our results for the first quarter of 2016. Our first quarter financial results are included in our earnings announcement, which was released earlier today and is posted in the "Investor Relations" section of our Web site at www.omnicell.com.

We are excited to review our first quarter results. We are proud of our performance in the first quarter continuing our consistent track record over the past several years.

For the first quarter, we exceeded our revenue guidance and analyst expectations with record quarterly non-GAAP revenue of $174 million. Together with good cost and integration execution this revenue strength resulted in non-GAAP EPS of $0.35, also above analyst expectations.

Bookings momentum from New and Competitive conversions continues to be strong, driven by our award winning differentiated products. With the acquisition of Aesynt, Omnicell has gained an additional 10% of the medication automation and analytics market. On a combined basis, New and Competitive conversions accounted for approximately 34% of the first quarter bookings. This was another strong bookings quarter for the Omnicell legacy products with new and competitive conversion rates equal to the fourth quarter of 2015 and a robust quarter for the Aesynt products. The Aesynt business has traditionally focused on expanding revenue from the existing customer base with strong recurring revenue. We do think that the blended customer base gives a very strong platform for future growth.

On January 5, 2016 we closed the acquisition of Aesynt Cooperatief U.A.. The Aesynt business, based in Cranberry Township, PA, is a leader in enterprise medication management with specific products in IV compounding, Central Pharmacy automation, Point of Care solutions, and Enterprise Software products.

Our integration of Aesynt has been progressing very well. We have integrated the Sales and Field teams in North America to enable one face and contact to the customer. As part of this integration we had a modest reduction in headcount in early April. We expect no impact on bookings and revenue in the second quarter from this Sales and Field integration.

We had previously prepared a brief summary of the transaction, which has been posted to the investor relations section of our website www.omnicell.com and has since been updated to reflect the closing of the transaction. We have had very positive responses from existing and potential customers regarding the strength and benefits of the expanded product portfolio. We have recently updated the combined product portfolio page in the investor deck to also show the estimated annual Total Addressable Market or TAM, and our market position.

Of our three growth strategies, our first strategy of differentiated products continues to attract new customers. We continued to experience great wins and add notable customers to our Omnicell family.

In the first quarter we had strong momentum and notable first-time customer wins, and many were through competitive conversions.

We announced this week that UnityPoint Health, a leading provider of patient care throughout Iowa, western Illinois and southern Wisconsin, has awarded Omnicell a 10-year sole source contract as its provider of medication, central pharmacy automation and analytics software across 15 of its facilities. UnityPoint Health will be replacing a competitor's products, and installation of Omnicell product is expected to be completed by the end of the year. This recent win adds significantly to our already strong presence in the state of Iowa.

We are also pleased to add Kettering Health Network as a new Omnicell customer. Kettering Health, a network of eight hospitals serving southwest Ohio, will be replacing its current medication automation with Omnicell solutions throughout all eight sites. In addition, the network will integrate Omnicell with its Epic electronic health record (EHR) and will be installing our Analytics product for diversion, Controlled Substance Manager (CSM) in the pharmacy, and our Anesthesia Workstations in selected operating rooms throughout the health system.

With the acquisition of Aesynt we added IV Solutions, another market leading product to our portfolio. We are excited to welcome Memorial Regional Hospital as a new Omnicell customer. Located in Hollywood, FL, Memorial Regional Hospital is one of the largest hospitals in Florida and a flagship facility of Memorial Healthcare System – a leading provider of high-quality healthcare services to South Florida residents. Memorial Regional Hospital will be implementing two i.v.STATIONS to help improve the sterility, quality and overall patient safety for their sterile compounding operations. This is part of a larger initiative to reduce their reliance on outsourcing and take more control of their IV compounding. We are thrilled to add Memorial Regional Hospital to the growing list of institutions across the country who are recognizing the significant benefits associated with IV automation.

Our <u>second</u> strategy of <u>expanding into new markets</u> also fueled growth in the last several years and we believe sets us up well for 2016 and beyond.

Internationally, the United Kingdom is one of our focus markets where we are the market leader. In the UK, Omnicell recently secured contracts with five National Health Service hospital trusts: Wye Valley Trust; Maidstone and Tunbridge Wells; Southampton; Burton; and Gateshead. These contracts come in the wake of the recently released Lord Carter report which studied how cost savings and improvements can be realized in UK hospitals. The report cited managing medication and medical supplies in hospitals through automation as one key area of focus. The National Health Service, which is the publicly funded health system in the UK, provides funds to hospitals on an annual basis for daily operations and system improvements.

In the first quarter we announced the availability of the web-based Find-A-Pharmacy tool, which helps connect consumers and their families with pharmacists committed to improving the health of their patients through better medication adherence. Additionally we launched our latest medication adherence solution, SureMed™ by Omnicell® Guided Packing software. This cloud-based software is designed to increase pharmacists' accuracy in filling SureMed multiple medication blister cards, which helps to improve medication adherence for patients on complex medication regimens.

Our third strategy, of expanding our presence and relevance through acquisitions, has also delivered great results with the acquisition of the Aesynt business that was announced in 2015 and closed in the first week of January this year.

In the first quarter we added Loma Linda University as an Omnicell customer. Loma Linda University Medical Center recently extended their relationship by contracting for an automated dispensing cabinet replacement and also added Enterprise Medication Manager to their existing central pharmacy solutions.

The Enterprise Medication Manager product is a supply chain software management tool, delivering tangible cost savings through a number of product features, resulting in reduction of inventory levels and minimizing medication waste.

This is another proof point of the strategic value of the broadened product portfolio resulting from the acquisition of Aesynt early in the first quarter.

We believe our hard work over the years and the execution of our three-leg strategy has set us up for continued growth and scale. In today's evolving healthcare environment, we remain focused on our mission to change the practice of healthcare with solutions that improve patient and provider outcomes. Our first quarter results demonstrate the strength of the broadened product portfolio, and it bolsters our role as a strategic partner to health systems.

Financial Performance

We will now review a summary of our first quarter financial results and our guidance for the second quarter in 2016.

Our first quarter 2016 GAAP revenues of $171.0 million were up 47% from the same quarter last year and up 31% sequentially.

Strong demand in revenue was driven by both expansion and upgrades at existing customers, as well as by new and competitive conversion customers. We have seen particular strength of the combined product portfolio to enable strategic and tailored solutions for customers.

Earnings per share in accordance with GAAP were a net loss $0.01, which is down from $0.17 in the first quarter of 2015. GAAP Gross margin was at 47% for the quarter.

In addition to GAAP financial results, we report our results on a non-GAAP basis which excludes stock compensation expense and amortization of intangible assets associated with acquisitions, one-time acquisition-related expenses, and the acquisition accounting impacts related to deferred revenue and inventory fair value adjustments. We use Non-GAAP financial statements in addition to GAAP financial statements because we believe it is useful for investors to understand acquisition amortization related costs and non-cash stock compensation expenses that are a component of our reported results, as well as one-time events such as the gain on Avantec investment in 2Q15 and one-time acquisition-related expenses. 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.

Our first quarter of 2016 non-GAAP revenues of $173.7 million were up 49% from the same quarter last year and up 33% sequentially.

On a Non-GAAP basis, earnings per share were $0.35 in the first quarter of 2016, up $0.06 from the same quarter last year.

Non-GAAP Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization was $25.7 million for the first quarter of 2016, up 33% from $19.3 million a year ago.

Our business is also reported in segments, consisting of Automation and Analytics and Medication Adherence. Automation and Analytics consists of our OmniRx automated dispensing cabinets, Anesthesia Workstations, Central Pharmacy, Omnicell Supply, Pandora Analytics and Mach4 robotic dispensing systems. Our acquisitions of Avantec, MACH4, and Aesynt are also included in this segment. The Medication Adherence segment consists of all adherence package consumables, which are now branded SureMed, and equipment used by pharmacists to create adherence packages. Our acquisitions of MTS Medication Technologies and Surgichem Ltd are included in the Medication Adherence segment. As a reminder, we now report certain corporate expenses that cannot be easily applied to either segment separately.

On a segment basis, our Automation and Analytics segment contributed $148.9 million in GAAP revenue in the first quarter of 2016, up from $92.8 million in 1Q 2015, or an increase of 61% mostly driven by the acquisition of Aesynt. $19.5 million of GAAP operating income this quarter compares to $25.3 million the same quarter last year. $34.3 million of non-GAAP operating income in 1Q 2016 compares to $26.9 million last year.

The Medication Adherence segment contributed $22.1 million of GAAP revenue to the quarter, compared to $23.4 million in 1Q 2015. GAAP operating income of $2.6 million compares to $1.4 million a year ago. $4.1 million of non-GAAP operating income compares to $2.8 million of Non-GAAP operating income in 1Q a year ago.

Non-GAAP Common expenses were $17.6 million compared to $14.4 million in the first quarter of 2015.

Non-GAAP operating margin was 12.0% for the first quarter and ahead of Plan driven by the strength in revenue and cost under-runs.

In the first quarter of 2016 our cash decreased from $82 million to $54 million, primarily due the use of cash on hand used in the acquisition of Aesynt partially offset by strong operating cash flow performance. First quarter cash flow from operations was $22 million. Our strong cash flow in the quarter enabled us to repay $20 million of the outstanding balance on the credit revolver in March. Per March 31, 2016 our loan balance was $235 million. Leverage measured as outstanding total loan balance over LTM of EBITDA was around 2.

Accounts receivable days sales outstanding for the combined business were 82, up 6 days from 4Q15 when we reported Omnicell stand alone. The increase in DSO was mix driven, affected by the addition of the Aesynt business as well as impacted by annual service revenue billings in Europe. We review the collectability of our receivables regularly and we do not believe the fluctuations in DSO are indicative of a change in our rate of bad debt. Inventories were $71.9 million, up $25 million from last quarter as a result of the acquisition of Aesynt, as well as a build in inventory for Med Adherence products for delivery in the second quarter. Our headcount was 2,275, up 824 from last quarter driven by the acquisition of Aesynt that was completed in January.

Revenue and Profit Guidance

We are re-confirming our 2016 total year guidance which remains unchanged. For 2016 we expect product bookings to be between $540 and $560 million. We expect revenue to be between $695 and $715 million in 2016. We expect 2016 Non-GAAP earnings to be between $1.50 and $1.60 per share. Lastly we expect non-GAAP operating margins for 2016 to be approximately 12.7%.

We consider 2016 to be a transitional and transformative year as we integrate Aesynt and gain momentum from the expanded product portfolio. We will now review guidance for the second quarter in 2016. For the second quarter of 2016 we expect non-GAAP revenue to be between $168 and $175 million and expected non-GAAP EPS is between $0.30 and $0.34 per share. It’s important to note that from time to time installation completion timing on specifically bigger projects could impact revenue and earnings in a given quarter, but we don't expect such quarterly fluctuations to impact the growth rate measured over multiple quarters. We are assuming an annual average effective tax rate of 38% on GAAP earnings on a combined basis. This assumption includes the benefit of the R&D tax credit impact as it has been permanently approved by the government.

When comparing 2016 to 2015 it is important to note a couple of items that are new for 2016:

1) For 2016 our non-GAAP expected results include around $10 million of integration expenses that we do not adjust for based on our non-GAAP Policy. These integration costs directly impacting non-GAAP Operating margins and non-GAAP EPS mostly consist of:
    a. retention cost,
    b. integration related IT expenses,
    c. cost related to the implementation of Sarbanes Oxley,
    d. cost related to tax restructuring,
    e. accelerated product development integration cost, and
    f. integration team and project cost.
2) In 2016 we are expecting modest first year cost synergies between $5 and $10 million. As we have demonstrated in the past we have confidence in our ability to achieve our 15% Non-GAAP Operating Margin target over time, and after integrating the acquired business and getting full benefit of the scale of the combined business. With the Sales and Field related re-org that we executed in early April, as well as other cost actions we are on track for the first year cost synergies between $5 million and $10 million and are tracking more towards the upper end of this cost synergies range.
3) Lastly, for 2016 we expect interest expense related to the Senior Secured Credit Facility used to finance the Aesynt acquisition to be around $6 million. Compared to 2015 this is a headwind to non-GAAP EPS of around $0.10.

Conclusion

Omnicell’s first quarter of 2016 was marked by record revenues and the completion of our acquisition of Aesynt. We are pleased to report continued momentum with a strong contribution from new customer orders as we begin to realize the strength that our expanded portfolio can deliver. We believe the company is well positioned to take advantage of the great opportunities ahead.

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

	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Revenues:			
Product	$ 127,895	$ 104,193	$ 94,109
Services and other revenues	43,109	26,123	22,112
Total revenues	171,004	130,316	116,221
Cost of revenues:			
Cost of product revenues	71,918	55,099	45,416
Cost of services and other revenues	19,141	10,137	9,120
Total cost of revenues	91,059	65,236	54,536
Gross profit	79,945	65,080	61,685
Operating expenses:			
Research and development	13,838	9,219	8,019
Selling, general and administrative	64,255	43,891	43,287
Total operating expenses	78,093	53,110	51,306
Income from operations	1,852	11,970	10,379
Interest and other income (expense), net	(2,171)	(753)	(517)
Income before provision for income taxes	(319)	11,217	9,862
Provision for income taxes	59	3,562	3,544
Net (loss) income	$ (378)	$ 7,655	$ 6,318
Net (loss) income per share:			
Basic	$ (0.01)	$ 0.22	$ 0.18
Diluted	$ (0.01)	$ 0.21	$ 0.17
Weighted average shares outstanding:			
Basic	35,740	35,482	36,024
Diluted	35,740	36,172	36,914

Omnicell, Inc.
Condensed Consolidated Balance Sheets
(Unaudited, in thousands)

	March 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 53,487	$ 82,217
Accounts receivable, net	153,199	107,957
Inventories	71,914	46,594
Prepaid expenses	21,855	19,586
Other current assets	9,853	7,774
Total current assets	310,308	264,128
Property and equipment, net	42,208	32,309
Long-term investment in sales-type leases, net	21,037	14,484
Goodwill	312,511	147,906
Intangible assets, net	206,261	89,665
Long-term deferred tax assets	2,638	2,361
Other long-term assets	28,809	27,894
Total assets	$ 923,772	$ 578,747
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 32,142	$ 22,646
Accrued compensation	31,918	18,195
Accrued liabilities	34,903	30,133
Long-term debt, current portion, net	8,410	—
Deferred revenue, net	92,273	53,656
Total current liabilities	199,646	124,630
Long-term deferred revenue	17,820	17,975
Long-term deferred tax liabilities	64,984	21,822
Other long-term liabilities	11,771	11,932
Long-term debt, net	219,046	—
Total liabilities	513,267	176,359
Total stockholders' equity	410,505	402,388
Total liabilities and stockholders' equity	$ 923,772	$ 578,747

Omnicell, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Three months ended March 31,	
	2016	2015
Operating Activities		
Net (loss) income	$ (378)	$ 6,318
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	14,473	5,711
Loss on disposal of fixed assets	13	4
Provision for receivable allowance	92	281
Share-based compensation expense	3,891	3,665
Income tax benefits from employee stock plans	164	822
Excess tax benefits from employee stock plans	(220)	(1,151)
Provision for excess and obsolete inventories	248	270
Deferred income taxes	(1,042)	361
Amortization of debt financing fees	397	—
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,162)	(5,631)
Inventories	(5,361)	(1,906)
Prepaid expenses	1,983	6,707
Other current assets	324	1,124
Investment in sales-type leases, net	(8,928)	285
Other long-term assets	1,232	(85)
Accounts payable	1,568	2,200
Accrued compensation	4,114	(2,810)
Accrued liabilities	417	2,718
Deferred revenue	12,663	(6,557)
Other long-term liabilities	(2,701)	(1,012)
Net cash provided by operating activities	21,787	11,314
Investing Activities		
Purchases of intangible assets, intellectual property and patents	(1,074)	(103)
Software development for external use	(3,070)	(2,957)
Purchases of property and equipment	(4,261)	(1,048)
Business acquisition, net of cash acquired	(271,458)	—
Net cash used in investing activities	(279,863)	(4,108)
Financing Activities		
Proceeds from debt, net	247,059	—
Repayment of debt under revolving credit facility	(20,000)	—
Payment for contingent consideration	(3,000)	—
Proceeds from issuances under stock-based compensation plans	5,149	6,224
Employees' taxes paid related to restricted stock units	(382)	(800)
Excess tax benefits from employee stock plans	220	1,151
Net cash provided by financing activities	229,046	6,575
Effect of exchange rate changes on cash and cash equivalents	300	(116)
Net (decrease) increase in cash and cash equivalents	(28,730)	13,665
Cash and cash equivalents at beginning of period	82,217	125,888
Cash and cash equivalents at end of period	$ 53,487	$ 139,553

Omnicell, Inc.

Reconciliation of GAAP to Non-GAAP

(Unaudited, in thousands, except per share data)

	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Reconciliation of GAAP net (loss) income to non-GAAP net income:			
GAAP net (loss) income	$ (378)	$ 7,655	$ 6,318
Adjustments:			
Share-based compensation expense	3,891	3,654	3,665
Amortization of acquired intangibles	9,159	1,901	1,231
Acquisition accounting impact related to deferred revenue	2,663	—	—
Inventory fair value adjustments	921	—	—
Acquisitions related expenses	2,349	2,898	—
Tax effect of the adjustments above[a]	(5,735)	(1,665)	(443)
Non-GAAP net income	$ 12,870	$ 14,443	$ 10,771
Reconciliation of GAAP revenue to non-GAAP revenue:			
Revenues	$ 171,004	$ 130,316	$ 116,221
Acquisition accounting impact related to deferred revenue	2,663	—	—
Non-GAAP revenue	$ 173,667	$ 130,316	$ 116,221
Reconciliation of GAAP gross profit to non-GAAP gross profit:			
GAAP gross profit	$ 79,945	$ 65,080	$ 61,685
GAAP gross margin	*46.8%*	*49.9%*	*53.1%*
Share-based compensation expense	549	481	517
Amortization of acquired intangibles	5,211	547	368
Acquisition accounting impact related to deferred revenue	2,663	$ —	$ —
Inventory fair value adjustments	921	$ —	$ —
Non-GAAP gross profit	$ 89,289	$ 66,108	$ 62,570
Non-GAAP gross margin	*51.4%*	*50.7%*	*53.8%*
Reconciliation of GAAP operating expenses to non-GAAP operating expenses:			
GAAP operating expenses	$ 78,093	$ 53,110	$ 51,306
GAAP operating expenses % to total revenue	*45.7%*	*40.8%*	*44.1%*
Share-based compensation expense	(3,342)	(3,173)	(3,148)
Amortization of acquired intangibles	(3,948)	(1,354)	(863)
Acquisitions related expenses	(2,349)	(2,898)	—
Non-GAAP operating expenses	$ 68,454	$ 45,685	$ 47,295
Non-GAAP operating expenses % to total revenue	*40.0%*	*35.1%*	*40.7%*

	Three Months Ended		
	March 31, 2016	December 31, 2015	March 31, 2015
Reconciliation of GAAP income from operations to non-GAAP income from operations:			
GAAP income from operations	$ 1,852	$ 11,970	$ 10,379
GAAP operating income % to total revenue	*1.1%*	*9.2%*	*8.9%*
Share-based compensation expense	3,891	3,654	3,665
Amortization of acquired intangibles	9,159	1,901	1,231
Acquisition accounting impact related to deferred revenue	2,663	—	—
Inventory fair value adjustments	921	—	—
Acquisitions related expenses	2,349	2,898	—
Non-GAAP income from operations	$ 20,835	$ 20,423	$ 15,275
Non-GAAP operating income % to total Non-GAAP revenue	*12.0%*	*15.7%*	*13.1%*
Reconciliation of GAAP net (loss) income per share - diluted to non-GAAP net income per share - diluted:			
Shares - diluted GAAP	35,740	36,172	36,914
Shares - diluted Non-GAAP	36,307	36,172	36,914
GAAP net (loss) income per share - diluted	$ (0.01)	$ 0.21	$ 0.17
Adjustments:			
Share-based compensation expense	0.11	0.11	0.10
Amortization of acquired intangibles	0.25	0.05	0.03
Acquisition accounting impact related to deferred revenue	0.07	—	—
Inventory fair value adjustments	0.03	—	—
Acquisitions related expenses	0.06	0.08	—
Tax effect of the adjustments above[a]	(0.16)	(0.05)	(0.01)
Non-GAAP net income per share - diluted	$ 0.35	$ 0.40	$ 0.29
Reconciliation of GAAP net income to non-GAAP Adjusted EBITDA:			
GAAP net (loss) income	$ (378)	$ 7,655	$ 6,318
Add back:			
Share-based compensation expense	3,891	3,654	3,665
Interest (income) and expense, net	1,747	89	99
Depreciation and amortization expense	14,473	7,182	5,711
Acquisition accounting impact related to deferred revenue	2,663	—	—
Inventory fair value adjustments	921	—	—
Acquisitions related expenses	2,349	2,898	—
Income tax expense	59	3,562	3,544
Non-GAAP Adjusted EBITDA [b]	$ 25,725	$ 25,040	$ 19,337

(a) Tax effects calculated for all adjustments except share based compensation expense, using estimated annual effective tax rate of 38% for fiscal year 2016.

(b) Defined as earnings before interest income and expense, taxes, depreciation and amortization, share-based compensation expense, as well as excluding certain non-GAAP adjustments.

Omnicell, Inc.
Segmented Information
(Unaudited, in thousands, except for percentages)

	Three Months Ended March 31, 2016			Three Months Ended March 31, 2015		
	Automation and Analytics	Medication Adherence	Total	Automation and Analytics	Medication Adherence	Total
Revenues	$ 148,945	$ 22,059	$ 171,004	$ 92,779	$ 23,442	$ 116,221
Cost of revenues	77,207	13,852	91,059	38,852	15,684	54,536
Gross profit	71,738	8,207	79,945	53,927	7,758	61,685
Gross margin %	*48.2%*	*37.2%*	*46.8%*	*58.1%*	*33.1%*	*53.1%*
Operating expenses	52,205	5,611	57,816	28,589	6,341	34,930
Income from segment operations	$ 19,533	$ 2,596	22,129	$ 25,338	$ 1,417	26,755
Operating margin %	*13.1%*	*11.8%*	*12.9%*	*27.3%*	*6.0%*	*23.0%*
Corporate costs			20,277			16,376
Income from operations			$ 1,852			$ 10,379

Omnicell, Inc.
Segment Information - Non-GAAP Gross Margin and Non-GAAP Operating Margin
(Unaudited, in thousands, except for percentages)

	Three Months Ended March 31, 2016								
	Automation and Analytics			Medication Adherence			Total		
Revenues	$	148,945		$	22,059		$	171,004	
Acquisition accounting impact related to deferred revenue		2,663	1.8%		—	—%		2,663	1.6%
Non-GAAP Revenues	$	151,608			22,059		$	173,667	
GAAP Gross profit	$	71,738	48.2%	$	8,207	37.2%	$	79,945	46.8%
Stock-based compensation expense		460	0.3%		89	0.4%		549	0.3%
Amortization expense of acquired intangible assets		4,879	3.3%		332	1.5%		5,211	3.0%
Acquisition accounting impact related to deferred revenue		2,663	1.8%		—	—%		2,663	1.6%
Inventory fair value adjustments		921	0.6%		—	—%		921	0.5%
Non-GAAP Gross profit	$	80,661	54.2%	$	8,628	39.1%	$	89,289	52.2%
GAAP Operating income	$	19,533	13.1%	$	2,596	11.8%	$	22,129	12.9%
Stock-based compensation expense		1,623	1.1%		201	0.9%		1,824	1.1%
Amortization expense of acquired intangible assets		7,829	5.3%		1,330	6.0%		9,159	5.4%
Acquisition accounting impact related to deferred revenue		2,663	1.8%		—	—%		2,663	1.6%
Inventory fair value adjustments		921	0.6%		—	—%		921	0.5%
Acquisitions related expenses		1,757	1.2%		—	—%		1,757	1.0%
Non-GAAP Operating income	$	34,326	23.0%	$	4,127	18.7%	$	38,453	22.5%
GAAP Corporate costs							$	20,277	11.9%
Stock-based compensation expense								2,067	1.2%
Acquisition-related expenses								592	0.3%
Non-GAAP Corporate costs							$	17,618	10.3%
Non-GAAP Income from operations							$	20,835	12.2%

	Three Months Ended March 31, 2015					
	Automation and Analytics		Medication Adherence		Total	
Revenues	$ 92,779		$ 23,442		$ 116,221	
GAAP Gross profit	$ 53,927	*58.1%*	$ 7,758	*33.1%*	$ 61,685	*53.1%*
Stock-based compensation expense	351	*0.4%*	166	*0.7%*	517	*0.4%*
Amortization expense of acquired intangible assets	35	*0.0%*	333	*1.4%*	368	*0.3%*
Non-GAAP Gross profit	$ 54,313	*58.5%*	$ 8,257	*35.2%*	$ 62,570	*53.8%*
GAAP Operating income	$ 25,338	*27.3%*	$ 1,417	*6.0%*	$ 26,755	*23.0%*
Stock-based compensation expense	1,443	*1.6%*	256	*1.1%*	1,699	*1.5%*
Amortization expense of acquired intangible assets	147	*0.2%*	1,084	*4.6%*	1,231	*1.1%*
Non-GAAP Operating income	$ 26,928	*29.0%*	$ 2,757	*11.8%*	$ 29,685	*25.5%*
GAAP Corporate costs					$ 16,376	*14.1%*
Stock-based compensation expense					1,966	*1.7%*
Non-GAAP Corporate costs					$ 14,410	*12.4%*
Non-GAAP Income from operations					$ 15,275	*13.1%*