Complementary Summary of Omnicell Q4 2014 Results: February 3, 2015

This complementary summary of Omnicell's February 3, 2015 conference call 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 dated February 3, 2015, in the Omnicell annual report on Form 10-K filed with the SEC on March 17, 2014, 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. All forward-looking statements made on this call are made 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.

Rob Seim:

Good afternoon and welcome to the Omnicell 2014 fourth quarter results conference call. Joining me today is Randall Lipps, Omnicell Chairman, President, and CEO. You can find our results in the Omnicell fourth quarter earnings press release posted in the "Investor Relations" section of our Web site at www.omnicell.com.

Randy will first cover an update on our business today, then I'll cover our results for 2014 and our guidance for 2015. Following our prepared remarks we will take your questions.

Randy Lipps

Good afternoon. I am very proud of our performance in the fourth quarter, in all of 2014, and of our consistent track record over the past several years. For the quarter, we exceeded our guidance with record revenues and record orders, culminating in full year bookings performance of $364 million, $9 million above the upper end of our guidance. Q4 was the highest non-GAAP EPS we have ever had. And the full year 2014 was also a company record in both revenues and earnings. But the most compelling statistics are the ones that measure our performance over time. We have doubled the size of the company in the last five years from $222 to $441 million and we have more than tripled our non-GAAP net profit from $14 to $46 million. For nine consecutive years we have received the top honors from KLAS, the prestigious third party rating organization. For ten consecutive years we have expanded our market share and won new thought leader customers every single quarter. Most importantly, we are driving improved healthcare for everyone.

While we are proud of what we've accomplished, we do not intend to stand still. I believe Omnicell has more expansion opportunities now than we have ever had before and that we are well positioned to take advantage of them with the same growth strategies that we have applied in the past. At Omnicell, our team is out to change the world by disrupting the cost of healthcare and dramatically improving outcomes to patients. For example, according to the New England Healthcare Institute, proper medication adherence can save $290 billion per year in the US alone. There are growing opportunities for Omnicell to impute innovative technologies that significantly improve effectiveness and are easy for our customers to adopt.

Of our three growth strategies, our first strategy of differentiated products continues to attract new customers, who adopt our award winning G4 platform, our analytics tools, and our medication adherence solutions. Throughout 2014 we announced new customer wins at marquee acute care accounts and that continued in Q4 with accounts such as Memorial Sloan Kettering Cancer Center in New York. Memorial Sloan Kettering is standardizing on the OmniRx system in their 471-bed inpatient hospital in New York City and in their eleven outpatient facilities in the New York area. They chose our most advanced offerings on our Unity platform.

Upgrades also continue at a strong pace, with 61% of our upgrade eligible customers having now adopted our most advanced platform, G4. These customers come to Omnicell, and grow their implementations, because our solutions provide what KLAs ranks as the best solution in the industry. We expect new products that we announced in 2014, along with our overall business approach, to continue to drive sales to new customers and expansion at current customers.

Solutions such as our Unity platform of medication management, our recently demonstrated advanced interoperability with Epic, and the new M5000 fully automated medication adherence packaging system are designed to appeal to customers who are moving towards managing health across the continuum of care. The US Department of Health and Human Services recently announced a goal to have 30% of Medicare payments tied to fee for value payment models by the end of

2016, such as accountable care organizations, and 85% of all 2016 Medicare payments tied to quality or value measures. In support of this direction, our goal is to provide medication management solutions spanning the continuum of care that enable healthcare organizations to reduce cost, enhance quality, and improve the health of their patient populations.

Our second strategy of expanding into new markets also fueled growth in 2014 and I believe, sets us up well for 2015. While we continue to focus on the Middle East, the UK and China, we also see adoption of our technologies in other parts of the world. For example, we recently took orders for the new Perth Children's Hospital in Australia, a 300-bed specialty hospital incorporating OmniRx medication control systems designed in. Another example of our new market strategy is our expanding medication adherence business, where we saw organic growth in 2014 from an estimated 600,000 to over one million patients receiving their prescriptions through our medication adherence solutions every week, mostly in Europe.

Our third strategy, of expanding our presence and relevance through acquisition, has also delivered results. Augmenting our medication adherence solutions sold to pharmacies supplying non-acute care facilities, in Q3 we completed the acquisition of Surgichem Limited from Bupa Home Care in the United Kingdom. Surgichem added $5 million of revenue in 2014 and another estimated 300,000 medication adherence patients, bringing our total estimated patients served each week to 1.3 million. In 2015, Surgichem is expected to add $12-14 million revenue in total, or $7-9 million incremental from 2014.

We believe our hard work over the years and the execution of our three-leg strategy laid the foundation for our successes in 2014, and sets us up for continued future growth. In today's evolving and tumultuous healthcare environment, we remain focused on our mission to change the practice of healthcare with solutions that improve patient and provider outcomes.

Rob Seim

As Randy mentioned, the fourth quarter and full year results for 2014 exceeded our expectations in nearly every way, and set us up for what we expect will be another great year in 2015. First of all, orders were very strong in the quarter, topping off a year of growth and resulting in record order volumes. Product bookings, which includes all orders that are installable in the next 12 months but excludes service, finished the year at $364 million, above our guidance of $345 to $355 million. Those bookings are up 10% from $328 million in 2013. Contributing to the quarter were a significant number of new customer wins in our Automation and Analytics segment and strong performance in the Medication Adherence market.

We have also seen continued expansion of demand for our G4 upgrades to existing automated dispensing system installations. Randy mentioned that 61% of the upgrade eligible customers have made the move to G4 since we announced it in mid 2011. 2014 was the strongest year so far, with 24% of the installed base upgrading. We still believe the majority of the remaining upgrade eligible customers will upgrade. Another consistent contribution to bookings is orders from new and competitive conversion customers in the Automation and Analytics segment. In Q4 these accounted for 40% of Q4 bookings, and 39% of orders for the full year. This represents record dollar volume from new and competitive conversion customers. Like the quarters leading up to Q4, the bulk of the orders came from competitive conversions and a smaller number of orders from greenfield customers who had never purchased automation before.

Our strong 2014 financial performance resulted in record revenue of $441 million. Non-GAAP net income of $1.26 per share, also a record, exceeded the high end of our guidance. Our annual average non-GAAP operating margins were 15.2%, consistent with our goals.

Revenue for Q4 2014 of $121.5 million was above our expectations, driven by strong demand for G4 upgrades which often ship shortly after they are ordered. Revenue was up 15% from Q4 2013 and up 8% from Q3 2014. Q4 2014 profit on a GAAP basis was $0.25 per share, up from $0.19 per share one year ago. For the full year of 2014, revenue of $441 million was up 16% from 2013. GAAP earnings per share of $0.83 was up $0.16 from $0.67 in 2013. We also report our results on a non-GAAP basis, which excludes stock compensation expense, amortization of intangible assets associated with acquisitions, and any non-recurring 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. A full reconciliation of our GAAP to non-GAAP results is included in our fourth quarter earnings press release and is posted on our web site.

On a non-GAAP basis, earnings per share was $0.39 in Q4, five cents higher than analyst expectations. Non-GAAP EPS was up sequentially from $0.30 in Q3 2014, and up from $0.29 in Q4 of 2013. Among the factors positively affecting both our GAAP and non-GAAP results is the US government's extension of the Research and Development tax credit in December 2014. The credit was not in our guidance and provided a $0.02 benefit in Q4 2014.

For the full year of 2014 our non-GAAP profits increased from $1.08 per share to $1.26 per share, an increase of 17%.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, which also excludes stock compensation amortization and the amortization of acquisition related costs, was $23 million for the fourth quarter of 2014, up 23% from $19 million a year ago. For the full year of 2014, adjusted EBITDA was $82 million, an increase of 24% from $66 million in 2013.

Our Automation and Analytics segment contributed $354 million in revenue, $48 million of GAAP operating income and $60 million of non-GAAP operating income in 2014, or roughly 90% of the total operating income of the company.

Our Medication Adherence segment contributed $87 million of revenue, $2 million of GAAP operating income and $7 million of non-GAAP operating income, or 10% of the total operating income of the company. As we've noted in the past, we are investing in filling out our Medication Adherence product line to be able to provide more comprehensive solutions across the continuum of care. While our long-term goal is for this segment to be at 15% operating margin, we are currently in an investment phase.

Cash increased $22 million during Q4 to $126 million. During the quarter we completed share repurchases totaling $4.5 million. We bought back approximately 163,000 shares at an average price of $27.29. Cash increased $21 million during the full year. During the full year we repurchased $21 million of stock and used $20 million to acquire Surgichem. Cash from all other sources was up $66 million offsetting the buy back and Surgichem. We have authorization to repurchase up to another $50 million of our stock.

For the full year of 2014 our free cash flow was $53 million, up from $43 million in 2013. Accounts receivable days sales outstanding was 63 days, down 15 days from last quarter. We had very favorable collections at the end of the year and strong revenue. Going forward, we expect our DSO to be between 65 and 75 days. Our supply chain organization has done a really nice job consistently managing inventory flat to $31 million over the past 18 months, despite revenue growing 29% over the same period. Our headcount was 1236, up from 1134 at the end of 2013, a 9% increase.

Looking forward, we know our customers will continue to face unprecedented change over the upcoming years. We believe we can help them meet regulatory and cost challenges, and we're optimistic about new emerging opportunities for medication adherence. We believe our solutions will play an increasingly integral role in making healthcare organizations more efficient and to improve patient outcomes, so we are optimistic about our own growth prospects.

For 2015, we expect revenue to be between $480 and $490 million, an increase of 9-11%. We expect non-GAAP earnings to be between $1.35 and $1.40 per share, growth of 7-12%. We expect steady revenue and earnings growth through the year, but we expect Q1 2015 to be $110 to $115 million of revenue and approximately $0.23 non-GAAP EPS. We typically experience higher expense levels in Q1 due to several seasonal factors in our business. We expect product bookings to be between $390 and $405 million in 2015.

Throughout 2015, we expect to significantly ramp up our R&D from an average of 6% of revenue in 2014 to 8% of revenue in 2015. Despite that, we expect to maintain our non-GAAP operating margins at our goal of 15%. We expect our results to fluctuate from quarter to quarter but to average near the 15% objective for the year. Finally, we are assuming an annual average effective tax rate of 38% on GAAP earnings.

Randy Lipps

I'd like to thank Marga Ortigas-Wedekind who is leaving Omnicell after six years of contribution running Marketing and our International Operations. I am changing the management structure of Omnicell and her responsibilities will now be part of Chris Drew and Rob Seim's organizations, which will provide the organizational alignment we need to fulfill our growth strategies and meet the evolving needs of our customers. The end of the year is a good time to celebrate and reflect. None of these results, or our optimism for the future, could be possible without the innovation and dedication of over 1200 Omnicell employees around the globe. I'd like to thank our team for their hard work in continuing to build and evolve our company.

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

	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Revenues:					
Product	**$ 100,291**	$ 92,229	$ 86,864	**$ 360,344**	$ 307,189
Services and other revenues	**21,250**	20,314	18,886	**80,556**	73,396
Total revenues	**121,541**	112,543	105,750	**440,900**	380,585
Cost of revenues:					
Cost of product revenues	**49,005**	44,510	41,187	**173,419**	144,997
Cost of services and other revenues	**8,757**	8,487	7,939	**33,621**	32,189
Total cost of revenues	**57,762**	52,997	49,126	**207,040**	177,186
Gross profit	**63,779**	59,546	56,624	**233,860**	203,399
Operating expenses:					
Research and development	**8,132**	7,078	7,440	**27,802**	29,105
Selling, general and administrative	**42,173**	38,871	38,129	**156,475**	138,995
Total operating expenses	**50,305**	45,949	45,569	**184,277**	168,100
Income from operations	**13,474**	13,597	11,055	**49,583**	35,299
Interest and other income (expense), net	**(77)**	(706)	(136)	**(1,079)**	(270)
Income before provision for income taxes	**13,397**	12,891	10,919	**48,504**	35,029
Provision for income taxes	**4,162**	5,591	4,096	**17,986**	11,050
Net income	**$ 9,235**	$ 7,300	$ 6,823	**$ 30,518**	$ 23,979
Net income per share:					
Basic	**$ 0.26**	$ 0.20	$ 0.19	**$ 0.86**	$ 0.69
Diluted	**$ 0.25**	$ 0.20	$ 0.19	**$ 0.83**	$ 0.67
Weighted average shares outstanding:					
Basic	**35,697**	35,994	35,495	**35,650**	34,736
Diluted	**36,585**	36,832	36,610	**36,622**	35,777

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

	December 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 125,888**	$ 104,531
Accounts receivable, net	**82,763**	58,597
Inventories	**31,554**	31,457
Prepaid expenses	**23,518**	18,883
Deferred tax assets	**12,446**	12,635
Other current assets	**7,215**	7,675
Total current assets	**283,384**	233,778
Property and equipment, net	**36,178**	35,254
Long-term net investment in sales-type leases	**10,848**	11,485
Goodwill	**122,720**	111,343
Intangible assets, net	**82,667**	81,602
Long-term deferred tax assets	**1,144**	1,102
Other long-term assets	**23,273**	17,937
Total assets	**$ 560,214**	$ 492,501
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 19,432**	$ 16,471
Accrued compensation	**19,874**	19,604
Accrued liabilities	**19,299**	13,746
Deferred service revenue	**25,167**	22,626
Deferred gross profit	**28,558**	19,957
Total current liabilities	**112,330**	92,404
Non-current deferred service revenue	**20,308**	17,763
Non-current deferred tax liabilities	**30,454**	28,162
Other long-term liabilities	**7,024**	5,175
Total liabilities	**170,116**	143,504
Stockholders' equity:		
Total stockholders' equity	**390,098**	348,997
Total liabilities and stockholders' equity	**$ 560,214**	$ 492,501

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

	Three Months Ended					
	December 31, 2014		September 30, 2014		December 31, 2013	
	Net Income	Net Income per Share-Diluted	Net Income	Net Income per Share-Diluted	Net Income	Net Income per Share-Diluted
GAAP	**$ 9,235**	**$ 0.25**	$ 7,300	$ 0.20	$ 6,823	$ 0.19
Non-GAAP adjustments:						
Pre-acquisition, transaction and integration costs for acquisitions	**—**		—		605	
Amortization of intangible assets acquired by acquisition	**1,233**		1,146		1,049	
Subtotal pretax adjustments	**1,233**		1,146		1,654	
Income tax effect of non-GAAP adjustments [(a)]	**(383)**		(497)		(662)	
Subtotal after-tax adjustments	**850**		649		992	
ASC 718 share-based compensation adjustment [(b)]:						
Gross profit	**483**		441		287	
Operating expenses	**3,692**		2,720		2,442	
Subtotal ASC 718 share-based compensation adjustments	**4,175**		3,161		2,729	
Total non-GAAP adjustments	**5,025**	**0.14**	3,810	0.10	3,721	0.10
Non-GAAP	**$ 14,260**	**$ 0.39**	$ 11,110	$ 0.30	$ 10,544	$ 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 for the periods presented.

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

	Year Ended			
	December 31, 2014		December 31, 2013	
	Net Income	Net Income per Share-Diluted	Net Income	Net Income per Share-Diluted
GAAP	**$ 30,518**	**$ 0.83**	$ 23,979	$ 0.67
Non-GAAP adjustments:				
Reorganization costs [a]	—		732	
Pre-acquisition, transaction and integration costs for acquisitions [b]	—		605	
Amortization of intangible assets acquired by acquisition	**4,474**		4,229	
Subtotal pretax adjustments	**4,474**		5,566	
Income tax effect of non-GAAP adjustments	**(1,653)**		(2,057)	
Subtotal after-tax adjustments	**2,821**		3,509	
ASC 718 share-based compensation adjustment [c]				
Gross profit	**1,456**		1,241	
Operating expenses	**11,329**		9,911	
Subtotal 718 share-based compensation adjustments	**12,785**		11,152	
Total after tax adjustments	**15,606**	**0.43**	14,661	0.41
Non-GAAP	**$ 46,124**	**$ 1.26**	$ 38,640	$ 1.08

(a) Non-recurring reorganization costs related to MTS.

(b) Pre-acquisition costs and transaction and integration costs related to our business acquisitions.

(c) Accounting impact of non-cash stock-based compensation expense for the periods presented.

Omnicell, Inc.
Calculation of Adjusted EBITDA[1]
(Unaudited, in thousands)

	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	December 31, 2014	December 31, 2013
GAAP net income	**$ 9,235**	$ 7,300	$ 6,823	**$ 30,518**	$ 23,979
Add back:					
ASC 718 stock compensation expense	**4,175**	3,161	2,729	**12,785**	11,152
Reorganization costs	**—**	—	—	**—**	732
Transaction and integration costs for acquisitions, pre-tax	**—**	—	605	**—**	605
Interest expense, net	**18**	55	7	**39**	92
Depreciation and amortization expense	**5,566**	5,314	4,633	**20,271**	18,365
Income tax expense	**4,162**	5,591	4,096	**17,986**	11,050
Non-GAAP adjusted EBITDA[1]	**$ 23,156**	$ 21,421	$ 18,893	**$ 81,599**	$ 65,975

(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 twelve months ended December 31, 2014 and 2013 relate to transaction and integration costs for our business acquisitions.