Complementary Summary of Omnicell Q2 2012 Results: August 2, 2012

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 8, 2012, 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 herein 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

The second quarter of 2012 was a big quarter for Omnicell with record revenues, major wins worldwide, 33% of our orders from new customers, and the acquisition of MTS Medication Technologies, the market leader in medication management systems for the long term care market, with a primary focus in medication adherence packaging solutions. We closed the acquisition on May 21 and our second quarter results include six weeks of MTS contribution. From a number of perspectives, we’re happy to report that the acquisition is right on track to our expectations. Financial contributions to our business are on plan, the integration is progressing well, and the reaction from customers has been positive.

Let’s recap why this acquisition makes sense: First, the combination creates a company that is aligned with the long term trends of the healthcare market to manage the health of patients across the continuum of care. Now Omnicell has more capability to serve the non-acute care market, which complements our current footprint and track record in serving the acute care market. 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.

Second, our two businesses bring capabilities to each other that strengthen the product lines and expand the medication management coverage of both companies. The market strength of MTS opens an exciting opportunity to sell medication cabinets into non-acute care and to sell adherence packaging systems into acute care. In the long term, we can also bring adherence multi-med packaging into other new markets where it does not exist today, which can significantly affect the cost and quality of healthcare. 11% of total hospital admissions are related to medication non-adherence according to the Center for Medicare and Medicaid Services. Blister cards make up approximately 85% of the medication management process in non-acute care settings, and MTS is the market leader with approximately 70% of the existing blister card market. We see opportunities to expand the existing market for this technology.

Finally, the transaction makes good financial sense. The combination is expected to be substantially accretive to earnings, to add a growing revenue stream to Omnicell, and to open new growth markets for the combined company. It also is expected to be consistent with our long-term growth plans and to support our goal of achieving 15% operating margins.

Now that we have MTS as part of our product family, we'll be referring to anything sold to hospital customers as the "Acute Care" part of our business. Acute Care is primarily the traditional, pre-acquisition portion of Omnicell. Anything sold outside of hospitals we will refer to as the "Non-Acute Care" portion of our business. It is comprised primarily of the former MTS Medication Technologies products.

Our Acute Care business is also very much on track, with several new wins including Hackensack University Medical Center in New Jersey and the University of South Alabama Health System. Hackensack University Medical Center, a 775-bed teaching and research organization, switched to our systems to gain automated control over patient specific medications and to improve nursing workflow. They will implement G4 systems with SinglePointe, which allows management of up to 100% of the medication flow, AnywhereRN which allows management of our systems from virtually any workstation in the hospital, and Omnidispenser, our most secure dispensing module. They will also implement our Anesthesia Workstations in the operating rooms and our Controlled Substance Management system in the central pharmacy.

The University of South Alabama chose Omnicell G4 systems to replace legacy systems in its 400-bed medical center and in its 150-bed children's and women's hospital. A key element of their decision was that Omnicell was able to better interoperate with their CPOE, their electronic healthcare record, and their unique bar code system. South Alabama will implement our WorkflowRX system for the central pharmacy and our medication dispensing systems including SinglePointe, AnywhereRN, and Omnidispenser. South Alabama will also implement our Savvy mobile medication system, which integrates with Omnicell's automated dispensing cabinets and the hospital's IT system to allow nurses to safely and securely transport medications from the dispensing cabinet to the bedside.

Internationally, we continue to add new installations in China and expand our presence in the Middle East. The King Faisal Specialist Hospital and Research Center, a state-of-the-art 894-bed facility in Riyadh accredited by the Joint Commission International, recently decided to replace all their operating room systems with our Anesthesia Workstations after installing our Supply systems house-wide last year.

During the quarter our systems were again recognized with several awards. For the seventh year in a row, KLAS, the prestigious third party evaluation firm, has designated OmniRX the “best in KLAS” medication dispensing system, which is the highest award presented by KLAS. Our WorkflowRX carousel also won category leader designation from KLAS for the third consecutive year. Also our easyBLIST software was awarded the “best new product” award by the Pharmacy Guild of Australia. The easyBLIST web-based patient profile system forms the input to MTS packaging automation.

Overall, both our momentum in the marketplace and the recognition of our product leadership are demonstrating that our strategy is working. The MTS acquisition only strengthens that positioning. We believe that Omnicell is on track to deliver continued improvements in healthcare economics and safety.

Q2 2012 Results

Omnicell financial results this quarter exceeded expectations. As mentioned earlier, our total revenue is a record for Omnicell and the revenue of just the Acute Care business is also a record. Profit excluding transaction costs related to the MTS acquisition was higher than plan and analyst consensus. Cash is at the high end of expectations, even after buying back $7 million of stock during Q2. Our results include six weeks of MTS business following the transaction closing on May 21. Since this is a transition quarter, we will provide the consolidated results and will also provide some Acute Care only figures that are comparable to Omnicell prior to the acquisition. In addition some of our measures discussed in previous quarters will continue to apply only to our Acute Care business. One of those measures is the portion of our orders from new and competitive conversion customers. As mentioned we had 33% of our acute care orders from new and competitive conversion customers. Of those orders, we saw a shift towards competitive conversions with over three fourths of the orders being competitive conversions and less than one-fourth from new greenfield customers who have never purchased automation before. We are very happy with these results and believe they continue to demonstrate the competitiveness of our solutions.

Revenue for Q2 2012 was $75.4 million, up 24% from Q2 2011 and up 18% from last quarter. We always install on our customer's schedules and we ended Q2 with more installations than we had originally expected, driving revenue over our expectations and consensus. Q2 2012 profit on a GAAP basis was $0.04 per share. We will continue to report our profits on a Non-GAAP basis also, which will now exclude stock compensation expense, amortization of intangible assets associated with acquisitions, and any one-time costs or benefits. This quarter our pro-forma Non-GAAP results exclude transaction costs of $3.2 million net of income tax. These costs are directly associated with the acquisition of MTS and consist of professional and advisory fees, a step up in inventory valuation, and one time severance costs associated with some restructuring. We use Non-GAAP financial statements in addition to GAAP financial statements, and we feel 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 second quarter earnings press release and is posted on our web site.

On a Non-GAAP basis, EPS was $0.20 in Q2 2012, up from $0.15 in Q2 2011 and up from $0.13 in Q1 of 2012. Our Non-GAAP operating margin was 13.3% in the quarter, up from 11% a year ago. Our results are consistent with our expectations and our guidance for overall operating margin improvement towards 15% by the end of the year.

Our blended non-GAAP gross margin was 55% for the quarter. Our Acute Care gross margins tend to be in the mid to high 50's and our non-acute care gross margins are in the low to mid 40's.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization, which also excludes stock compensation amortization and the amortization of acquisition related costs, were $12.4 million for the second quarter of 2012, up 46% from $8.6 million a year ago.

We will now be segmenting our business into Acute Care, which is the traditional business of Omnicell, and Non-Acute Care, which is predominantly the former MTS business. Our Acute Care business contributed $66.5 million in revenue, which is up 9% from Q2 2011 and is record all-time revenue for acute care. Our Acute Care business contributed $0.18 of non-GAAP EPS. The Acute Care business had non-GAAP gross margin of 57% on products and 54% on service in Q2 2012, averaging 56% for the quarter.

MTS Non-Acute Care business contributed $8.9 million of revenue to the quarter and contributed $0.02 of non-GAAP EPS. 85% of the MTS Non-Acute Care business is consumables used by pharmacists to make blister cards that are at the center of medication control in most non-acute care facilities. The MTS machinery business is approximately 15% of the Non-Acute Care revenues including about 3% of total revenues that are ongoing maintenance services on the machinery. Non-

GAAP gross margin for Q2 Non-Acute Care business was 43% and is consistent with expectations.

The Omnicell balance sheet remains very strong after the acquisition. Cash and cash equivalents were $54 million. During the quarter we used $159 million for the acquisition of MTS and related deal costs, and repurchased $7 million of stock. These expenditures were partially offset by an increase of $9 million from the rest of our operations in Q2. Our Accounts Receivable days sales outstanding was 52, down 4 days from last quarter. Our new consolidated inventory is $25 million and our consolidated regular headcount is 1086 after the addition of 293 staff from MTS.

Guidance

Regarding the remainder of 2012, we believe we are on track with our previous consolidated guidance issued in June. We expect 2012 revenue to be between $307 and $315 million. Non-GAAP earnings per share are expected to be between $0.75 and $0.81 per share. Non-GAAP EPS excludes stock based compensation and amortization of any intangible assets or step up in inventory valuation associated with the acquisition of MTS Medication Technologies. Non-GAAP earnings also excludes one-time expenses associated with closing the transaction. Most of the one-time charge is behind us, but we anticipate some further restructuring charges of approximately $0.5 to $1.0 million in Q3.

Before the acquisition we believed we would be very close to 15% operating margins by the end of 2012. We've already made significant progress toward our goal and we still believe we will be very near our goal of 15% operating margins by the end of the year in our Acute Care segment. The Non-Acute Care segment is already achieving 15% and so we believe following the acquisition that we are still on track to achieve 15% for the consolidated company.

And our product backlog, which is the value of firm orders that have not yet completed installation, is expected to be between $138 and $142 million and is comprised of acute care medication and supply management products.

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

	Three Months Ended			Six Months Ended	
	June 30, 2012	March 31, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Revenues:					
Product	$ 59,269	$ 48,524	$ 46,218	$ 107,793	$ 88,793
Services and other revenues	16,115	15,619	14,787	31,734	29,372
Total revenue	75,384	64,143	61,005	139,527	118,165
Cost of revenues:					
Cost of product revenues	28,600	20,296	19,730	48,896	37,566
Cost of services and other revenues	7,408	8,098	7,468	15,506	15,142
Total cost of revenues	36,008	28,394	27,198	64,402	52,708
Gross profit	39,376	35,749	33,807	75,125	65,457
Operating expenses:					
Research and development	5,499	6,494	5,280	11,993	10,120
Selling, general, and administrative	31,446	25,620	24,297	57,066	50,078
Total operating expenses	36,945	32,114	29,577	69,059	60,198
Income from operations	2,431	3,635	4,230	6,066	5,259
Other income and (expense), net	(73)	96	71	23	125
Income before provision for income taxes	2,358	3,731	4,301	6,089	5,384
Provision for income taxes	983	1,380	1,714	2,363	2,127
Net income	$ 1,375	$ 2,351	$ 2,587	$ 3,726	$ 3,257
Net income per share:					
Basic	$ 0.04	$ 0.07	$ 0.08	$ 0.11	$ 0.10
Diluted	$ 0.04	$ 0.07	$ 0.08	$ 0.11	$ 0.10
Weighted average shares outstanding:					
Basic	33,390	33,365	33,003	33,377	33,093
Diluted	34,316	34,341	33,981	34,329	34,039

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

	June 30, 2012 (unaudited)	December 31, 2011 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 54,071	$ 191,762
Short-term investments	—	8,107
Accounts receivable, net	46,390	38,661
Inventories	25,170	18,107
Prepaid expenses	11,609	10,495
Deferred tax assets	11,197	10,352
Other current assets	7,164	6,107
Total current assets	155,601	283,591
Property and equipment, net	28,965	17,306
Non-current net investment in sales-type leases	9,826	8,785
Goodwill	112,083	28,543
Other intangible assets	87,242	4,231
Non-current deferred tax assets	12,574	11,677
Other assets	9,959	9,716
Total assets	$ 416,250	$ 363,849
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 15,687	$ 11,000
Accrued compensation	13,323	7,328
Accrued liabilities	9,956	8,901
Deferred service revenue	19,791	19,191
Deferred gross profit	14,478	14,210
Total current liabilities	73,235	60,630
Non-current deferred service revenue	18,471	18,966
Non-current deferred tax liabilities	33,747	—
Other long-term liabilities	3,277	1,339
Total liabilities	128,730	80,935
Stockholders' equity:		
Total stockholders' equity	287,520	282,914
Total liabilities and stockholders' equity	$ 416,250	$ 363,849

(1) Information derived from our December 31, 2011 audited Consolidated Financial Statements.

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

	Three months ended					
	June 30, 2012		March 31, 2012		June 30, 2011	
	Net income	Net income per share-diluted	Net income	Net income per share-diluted	Net income	Net income per share-diluted
GAAP	$ 1,375	$ 0.04	$ 2,351	$ 0.07	$ 2,587	$ 0.08
Non-GAAP adjustments:						
Business acquisition costs						
Transaction and integration costs for acquisitions (a)	4,855					
Amortization of intangible assets acquired by acquisition (b)	558					
Subtotal pretax adjustments	5,413		—		—	
Income tax effect of non-GAAP adjustments (c)	(2,256)					
Subtotal after-tax adjustments	3,157		—		—	
ASC 718 share-based compensation adjustment (d)						
Gross profit	233		268		383	
Operating expenses	1,980		1,939		2,068	
Total after-tax adjustments	5,370	0.16	2,207	0.06	2,451	0.07
Non-GAAP	$ 6,745	$ 0.20	$ 4,558	$ 0.13	$ 5,038	$ 0.15

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

(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 second quarter 2012 effective tax rate.

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

	Six months ended			
	June 30, 2012		June 30, 2011	
	Net income	Net income per share-diluted	Net income	Net income per share-diluted
GAAP	$ 3,726	$ 0.11	$ 3,257	$ 0.10
Non-GAAP adjustments:				
Business acquisition costs				
Transaction and integration costs for acquisitions (a)	4,855			
Amortization of intangible assets acquired by acquisition (b)	558			
Litigation settlement (c)	—		1,000	
Subtotal pretax adjustments	5,413		1,000	
Income tax effect of non-GAAP adjustments (d)	(2,256)		(380)	
Subtotal after-tax adjustments	3,157		620	
ASC 718 share-based compensation adjustment (e)				
Gross profit	501		750	
Operating expenses	3,919		4,093	
Total after tax adjustments	7,577	0.22	5,463	0.16
Non-GAAP	$ 11,303	$ 0.33	$ 8,720	$ 0.26

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

(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) This adjustment is for the accrual of a $1.0 million pre-tax settlement in operating expenses ($0.6 million, net of tax effect of $0.4 million) in the first quarter of 2011.

(d) Tax effects are calculated using the second quarter 2012 effective tax rate.

(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			Six months ended	
	June 30, 2012	**March 31, 2012**	**June 30, 2011**	**June 30, 2012**	**June 30, 2011**
GAAP net income	$ 1,375	$ 2,351	$ 2,587	$ 3,726	$ 3,257
Add back:					
ASC 718 stock compensation expense	2,213	2,207	2,451	4,420	4,843
Transaction and integration costs for acquisitions, pre-tax	4,855	—	—	4,885	—
Litigation settlement, pre-tax	—	—	—	—	1,000
Interest	(24)	(31)	(75)	(55)	(150)
Depreciation and amortization expense	2,998	2,335	1,942	5,333	3,794
Income tax expense	983	1,380	1,714	2,363	2,127
Non-GAAP adjusted EBITDA (1)	$ 12,400	$ 8,242	$ 8,619	$ 20,672	$ 14,871

(1) Defined as earnings before interest income and expense, taxes, depreciation and amortization, and non-cash expenses, including stock compensation expense, per ASC 71, as well excluding certain non-GAAP adjustments. The non-GAAP adjustments for the three months and six months ended June 30, 2012 also exclude transaction and integration costs for MTS, acquired in May 2012. The non-GAAP adjustments for the six months ended June 30, 2011 also exclude first quarter 2011 expense for a pre-tax litigation settlement.