

**Omnnicell, Inc.**

October 2008



# Safe Harbor Statement

*This presentation contains certain “forward-looking” statements. These statements are based on the current estimates and assumptions of the management of Omnicell, Inc. (or “Omnicell” or “the Company”) as of the date of this presentation and are naturally subject to uncertainty and changes in circumstances. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Actual results may vary materially from the expectations contained herein. When used herein, the words “may”, “will”, “should”, “could”, “would”, “plan”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “potential” and “expect” and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause the actual results of Omnicell to be materially different from those reflected in such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, those set forth under the headings “Note Regarding Forward-Looking Statements”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the form 10K dated March 17, 2008. Except to the extent required by applicable securities laws, Omnicell is not under any obligation to (and expressly disclaims any such obligation to) update its forward-looking statements, whether as a result of new information, future events, or otherwise. All statements contained in this presentation are made only as of the date of this presentation.*



## Corporate Profile

- Founded in 1992 by Randall Lipps
- IPO in 2001
- 845 employees
- Headquartered in Mountain View, CA
  - Remote Development and Customer Support offices: [Chicago](#), [Houston](#), [Nashville](#) and [Bangalore, India](#)
- Five successful acquisitions

### Financial Snapshot:

- 2007 revenue: \$213 million, growing 38% in 2007
- 2007 EBITDA: \$33.3 million, growing 57% in 2007



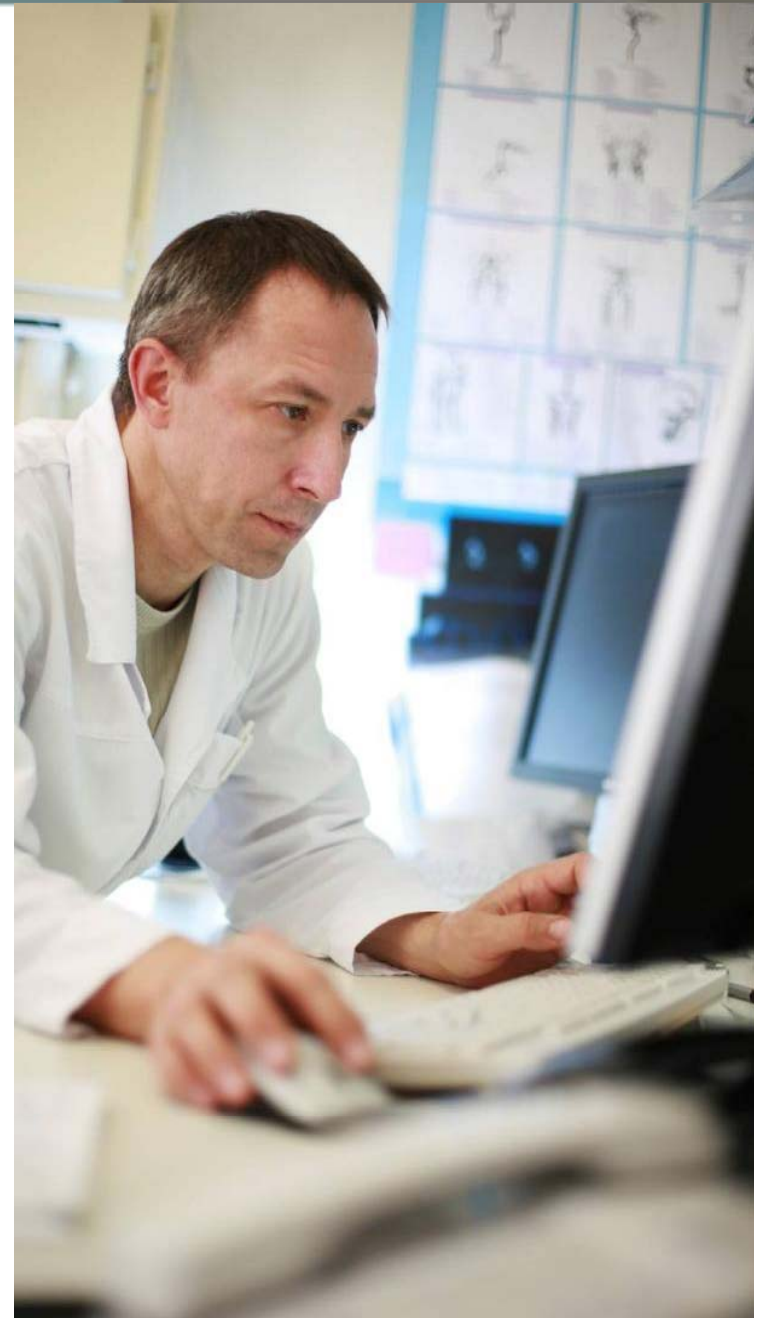
# Omnicell Customer Solutions – What We Do

Improving healthcare in hospitals through:

1. Medication distribution control solutions
2. Medical and Surgical Supplies inventory control solutions

*Omnicell means differentiated solutions:*

- *Designed for nurses and pharmacists*
- *Individually configured for each hospital*
- *Well planned collaborative installation*
- *Interfaces to all HIT systems*
- *On-site user training*
- *High touch customer support*



# The Heart of the Medication Control Solution

- Patient Safety
  - ▶ Right drug
  - ▶ Right dose
  - ▶ Right time
  - ▶ Right patient
  - ▶ Right route
- Improved nursing workflow
- Medication usage control
- Inventory control
- Meets regulatory needs



- Guiding lights
- SinglePointe™ eliminates missing doses
- Bar code SafetyStock™ features at multiple levels
- Interfaces to all HIT systems
- Fingerprint login
- Advanced reporting features
- vSuite™ remote monitoring
- Highly configurable
- Low to very high security modules



# Omnicell Offers Extended Medication Control Solutions

## Central Pharmacy



Inventory management carousel system

Bar code packaging system

### **SecureVault™**

Controlled substance inventory management system

## Nursing Area



### **OmniRx®**

Core of medication center

### **OmniLinkRx™**

Prescription routing



## Bedside



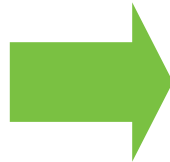
### **SafetyMed™**

Bedside point-of-care medication administration systems and mobile cart solutions



# Omnicell Provides Open shelf and Specialty Area Solutions

**OmniSupplier<sup>®</sup>**



- Reduces overall supply inventory
- Assures charge capture
- Eliminates stock-outs
- Interfaced to all HIT systems
- Improves nursing workflow
- Specialty catheter and suture modules



**OptiFlex<sup>™</sup>**

**OptiFlex<sup>™</sup> CL**

**OptiFlex<sup>™</sup> SS**



- Open shelf and controlled system solution
- Cath Lab and OR specialty systems with physician preference cards



## SinglePointe



### Patient Specific

- Home Meds
- Transfers
- Multi-use
- Discharges
- Discontinued Meds





# Large Addressable Market in the United States

## 5,800 Hospitals—947,000 Beds



Large Hospitals  
+300 Beds  
- 900 Hospitals  
- 16% Total Beds <sup>(1)</sup>

92% have some  
automation <sup>(2)</sup>



Medium Hospitals  
100-300 Beds  
- 2,100 Hospitals  
- 36% Total Beds <sup>(1)</sup>

85% have some  
automation <sup>(2)</sup>



Small Hospitals  
<100 Beds  
- 2,800 Hospitals  
- 48% Total Beds <sup>(1)</sup>

60% have some  
automation <sup>(2)</sup>

**No hospital is fully penetrated—most are 40-50% automated<sup>(3)</sup>**

*(1) Source: 2005 AHA.*

*(2) Source: 2005 ASHP Survey includes all forms of medication control.*

*(3) Source: Omnicell estimate.*



# Why Hospitals Are Not Fully Penetrated

- Original implementation put small number of frequently used drugs in automation systems
- Not all acute care departments automated

**Expansion  
Opportunity**

- Cath lab and Operating Rooms not automated
- Central Pharmacy not automated
- Bedside solution not deployed
- Supplies not automated

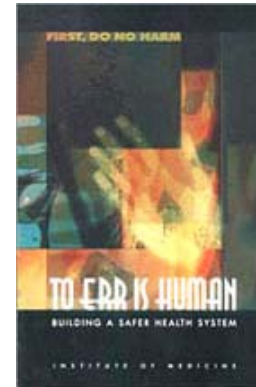
**Additional  
product line sales  
Opportunity**

**Omniceil has the potential to triple revenue  
from existing customers**



# Patient Safety is a Major Driver in Adoption

- Recent high profile medication errors
- Institute of Medicine reports highlight the issue
  - 2006 – Medication Error Report – 1.5M medication errors in U.S. annually
  - 2003 – Keeping Patients Safe
  - 2002 – Leadership by Example
  - 2001 – Crossing the Quality Chasm
  - 1999 – To Err is Human
- Increasing regulatory requirements on the pharmacist from the Joint Commission and CMS
- FDA bar code regulation effective April 2006
  - Requires bar codes on prescription drugs and biological products
  - FDA projected benefits over 20 years:
    - 500,000 fewer adverse drug events
    - 50% reduction in medication errors
    - \$93 billion in cost savings



**Healthcare facilities are reprioritizing hospital expenditures and increasing automation**

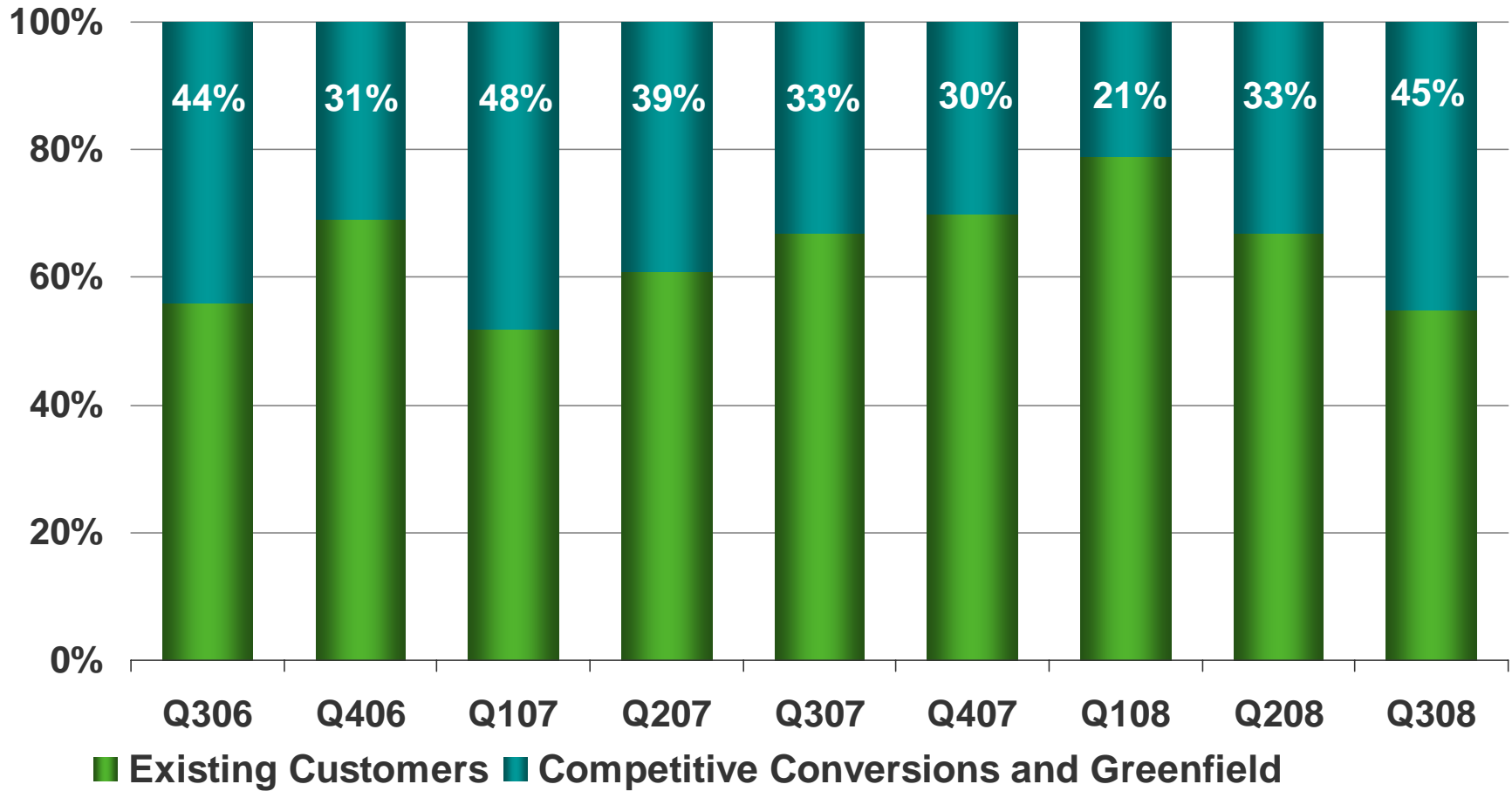
## Gaining Momentum through Multi-Hospital Systems Wins

- Guys/St Thomas & Kings College – 3 hospitals, 2,200 beds
- Greenville – 5 hospitals, 1,000 beds
- Advocate Health Care – 10 hospitals, 3,500 beds
- Adventist Health System West – 18 hospitals, 2648 beds
- Tenet Health System – 56 hospitals, 14,651 beds
- Methodist Le Bonheur Healthcare – 6 hospitals, 1677 beds
- Hospital Partners of America – 6 hospitals, 1547 beds
- Catholic Healthcare West – 42 hospitals, 8,600 beds
- HCA – 190 hospitals, 40,000 beds (Supply SW only)
- Child Health Corporation of America – 41 hospitals, 10,000 beds
- Health Enterprises Cooperative – 17 hospitals, 2,100 beds
- Baylor Health Care System – 9 hospitals, 2,300 beds



# Gaining Share through New Accounts and Competitive Conversions

## Percent of orders from New Customers



# Why Omnicell is Winning

- Differentiated business model
  - Solution sales
  - Leverages customer's investment
    - Component orientation
    - No forced upgrades
- Unique product features
  - Advanced patient safety
  - Configuration flexibility
  - Usability and reliability features
- Independent validation
  - Superior MD Buyline ratings

**Omnicell's goal is to provide the best customer experience**



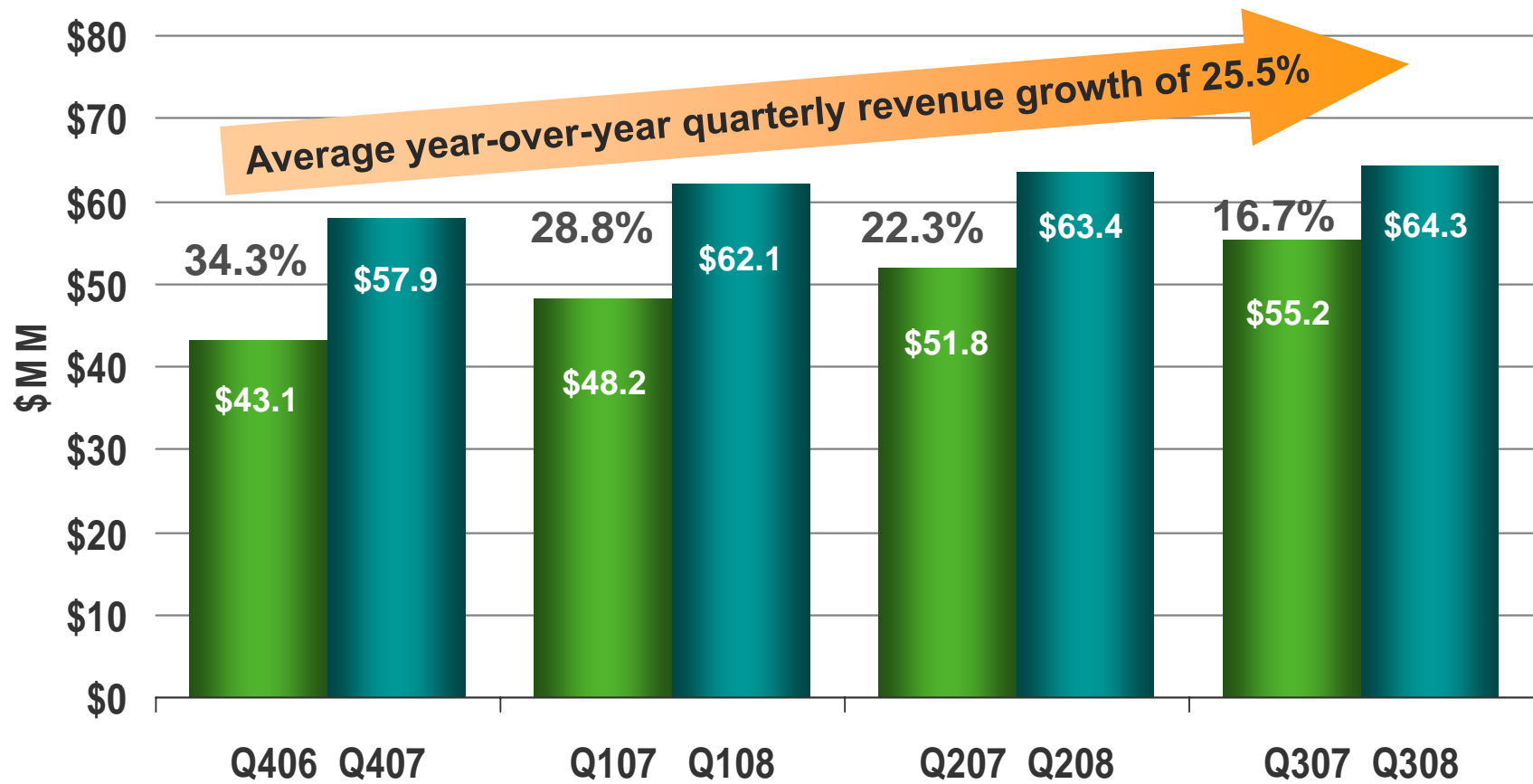
## Omniceil's Strategy Is Producing Positive Financial Results

- Consistent revenue growth
  - Q3 '08 up 17% over Q3 '07
  - Q3 '08 up 2% sequentially over Q2 '08
- Revenue growth and expense management generating results
  - \$0.18 EPS Q3 '08 <sup>(1)</sup>
    - \$0.02 above analyst consensus
    - Note 2008 now fully taxed
  - \$125M cash, no debt
  - DSO 70 days

(1) *Excluding stock compensation expenses.*

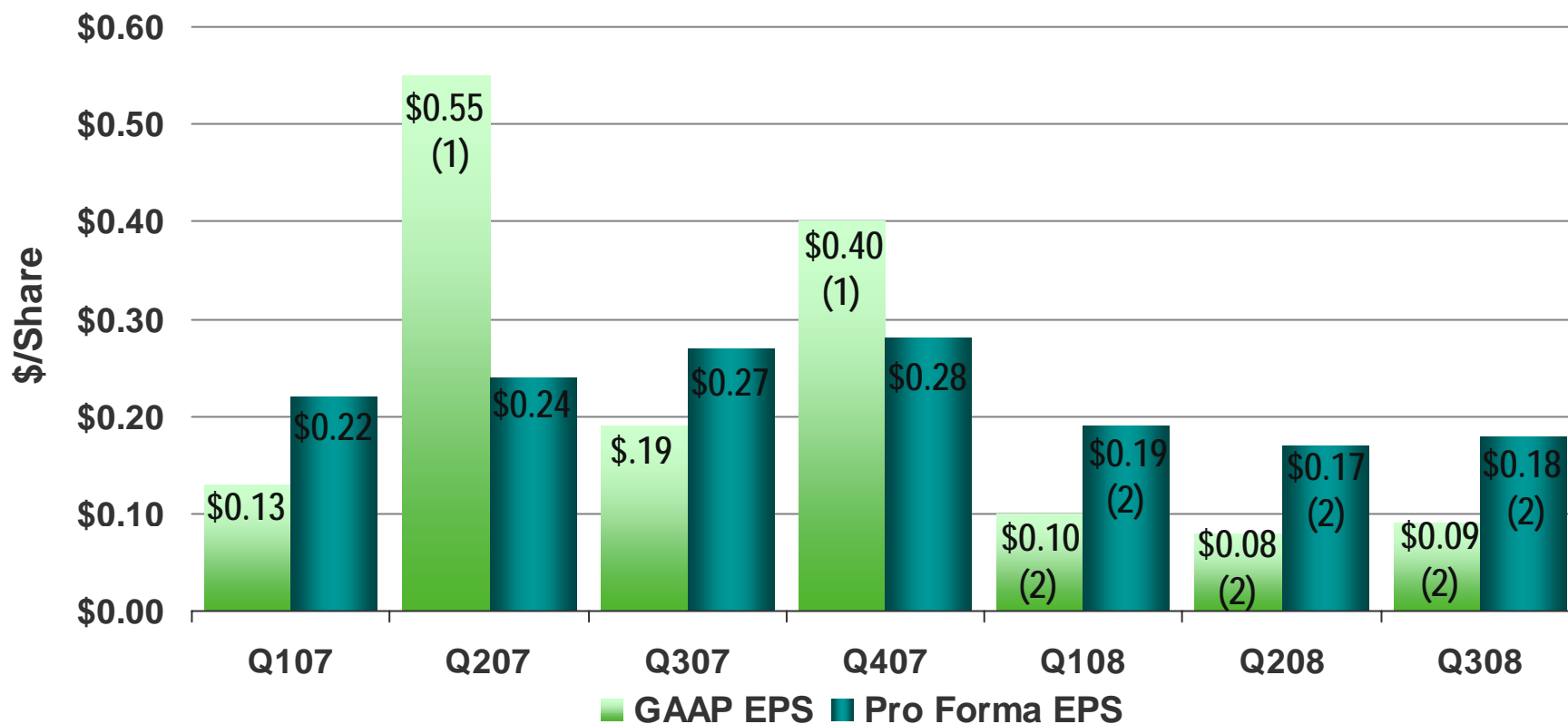


# Significant Revenue Growth





## Strong EPS Growth on a GAAP and Pro Forma EPS Basis



**Omniceil has met or exceeded consensus  
thirteen quarters in a row**

(1) GAAP EPS includes a one time tax adjustment of \$0.39 in Q207 and one time tax adjustment of \$0.19 in Q407

(2) 2008 Effective tax rate 43%, 2007 effective tax rate 6%



# Pro Forma Actual P&L

(\$ in MM)	Q3'07	Q4'07	Q1'08	Q2'08	Q3'08
<b>Revenue</b>					
Product	\$46,376	\$48,735	\$52,415	\$52,871	\$54,294
Service	\$8,776	\$9,211	\$9,675	\$10,504	\$10,051
<b>Total Revenue</b>	<b>\$55,152</b>	<b>\$57,946</b>	<b>\$62,090</b>	<b>\$63,375</b>	<b>\$64,345</b>
<i>Year to Year</i>	33.8%	34.5%	28.9%	22.3%	16.7%
<b>Gross Profit</b>	<b>\$30,107</b>	<b>\$31,374</b>	<b>\$32,855</b>	<b>\$32,777</b>	<b>\$33,163</b>
<i>Gross Margin</i>	54.6%	54.1%	52.9%	51.7%	51.5%
<b>Operating Expenses</b>	<b>\$22,058</b>	<b>\$22,909</b>	<b>\$24,926</b>	<b>\$25,339</b>	<b>\$26,179</b>
<b>Operating Income</b>	<b>\$8,049</b>	<b>\$8,465</b>	<b>\$7,928</b>	<b>\$7,438</b>	<b>\$6,984</b>
<i>Operating Margin</i>	14.6%	14.6%	12.8%	11.7%	10.9%
<b>Net Income</b>	<b>\$9,756</b>	<b>\$10,228</b>	<b>\$6,800</b>	<b>\$5,686</b>	<b>\$5,682</b>
<b>Pro Forma EPS (1)</b>	<b>\$ 0.27</b>	<b>\$ 0.28</b>	<b>\$ 0.19</b>	<b>\$ 0.17</b>	<b>\$ 0.18</b>
<b>GAAP EPS</b>	<b>\$ 0.19</b>	<b>\$ 0.39</b>	<b>\$ 0.10</b>	<b>\$ 0.08</b>	<b>\$ 0.09</b>
<b>EBITDA</b>	<b>\$9,131</b>	<b>\$9,917</b>	<b>\$10,020</b>	<b>\$9,800</b>	<b>\$9,166</b>

(1) Pro Forma EPS excludes stock option expense beginning 2006

# Balance Sheet

	<u>Q2 08 Actual</u>	<u>Q3 08 Actual</u>	<u>Mvmt</u>
Cash & Equivalents	122.8	125.0	2.2
Accounts Receivable	40.8	47.4	6.6
Inventories	15.5	13.9	-1.7
Goodwill & Intangibles	32.3	31.8	-0.6
Other Assets	72.6	75.4	2.8
<b>Total Assets</b>	<b>284.1</b>	<b>293.5</b>	<b>9.4</b>
Accounts Payable	12.2	11.7	-0.5
Deferred Service Revenue	29.5	29.7	0.2
Deferred Gross Profit	14.1	14.5	0.5
Other Liabilities & Equity	228.3	237.6	9.3
<b>Total Liabilities</b>	<b>284.1</b>	<b>293.5</b>	<b>9.4</b>

# Compelling Opportunity

- Medication and Supply Solutions for enhancing patient safety
- Hospitals are reprioritizing investment toward patient safety
- Expanding market that is less than 50% penetrated
- Large, satisfied installed base
  - Over 1,100 customers
  - Independent validation
- Differentiated business model is driving results
  - Taking market share from competitors
  - Strong revenue and backlog growth
  - Enhanced predictability, expanding margins

