

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **October 16, 2003**

**OMNICELL, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**000-33043**  
(Commission File Number)

**94-3166458**  
(IRS Employer  
Identification Number)

**1101 East Meadow Drive**  
**Palo Alto, CA 94303**  
(Address of principal executive offices, including zip code)

**(650) 251-6100**  
(Registrant's telephone number, including area code)

**Item 7. Financial Statements and Exhibits.**

(c) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of Omnicell, Inc. dated October 16, 2003.

**Item 12. Results of Operations and Financial Condition.**

On October 16, 2003, Omnicell, Inc. announced its financial results for the three and nine months ended September 30, 2003. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

**OMNICELL, INC.**

Dated: October 16, 2003

By: /s/ Dennis P. Wolf  
Dennis P. Wolf  
Executive Vice President,  
Operations, Finance,  
Administration  
and Chief Financial Officer

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INDEX TO EXHIBITS

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Contact:

**Dennis P. Wolf**  
 EVP of Operations, Finance,  
 Administration & CFO  
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Omnnicell, Inc.  
 1101 East Meadow Drive  
 Palo Alto, CA 94303

*For Immediate Release*

**Omnnicell Announces Record Third Quarter 2003 Financial Results**

**PALO ALTO, Calif. — October 16, 2003** — Omnicell, Inc. (NASDAQ: OMCL), a leading provider of patient safety solutions preferred by nurses, today announced record third quarter 2003 results for the quarter ended September 30, 2003.

Financial highlights were as follows:

- For the third quarter of 2003, total revenue was \$26.4 million, compared to \$17.9 million for the same period in 2002 and \$25.1 million for the second quarter of 2003.
- Gross margin was 59.0% for the third quarter of 2003, compared to 54.2% for the same period in 2002 and 58.2% for the second quarter of 2003.
- Total operating expenses were \$13.1 million for the third quarter of 2003, compared to \$13.3 million for the same period of 2002 and \$13.3 million for the second quarter of 2003.
- Total operating margin was \$2.5 million or 10%, compared to a net loss of \$3.6 million for the same period of 2002 and an operating margin of \$1.4 million or 5% for the second quarter of 2003.
- Net income for the quarter was \$2.3 million or \$0.09 per diluted share, compared to a net loss of \$3.5 million or \$0.16 per share for the same period of 2002 and net income of \$1.3 million or \$0.05 per share on a diluted basis for the second quarter of 2003. Results of \$0.09 per diluted share were based on fully diluted weighted average shares outstanding of 26.7 million, an increase of 2 million shares sequentially.

Other highlights of the quarter include:

- Omnicell acquired BCX Technology, Inc., a leading provider of open bar code supply management solutions. With BCX, Omnicell offers a broader range of solutions to manage medical-surgical supplies in both closed and open environments.
- Total backlog as of September 30, 2003 was \$36.6 million, compared to \$32.7 million as of June 30, 2003, representing an increase of \$3.9 million, up 12 percent sequentially. Backlog increased 72% from the same period of last year.
- As of September 30, 2003, we had completed our installation obligation, if any, for 27,862 medication and supply dispensing systems at 1,448 healthcare facilities.

Omnnicell Chairman, President and CEO Randall A. Lipps, commenting on the current quarter's strong business results, said, "The third quarter was a record for our company, as we posted record revenues, bookings and earnings. I am also very pleased with the continued progress we have made in expanding our product portfolio, completing a complementary acquisition, winning competitive accounts, and closing a three-year, multi-source agreement with HealthTrust Purchasing Group (HPG), an organization with 700 hospital and 300 non-acute care members. I believe we are well-positioned for continued growth moving forward and in reshaping Omnicell as a major industry force."

Dennis P. Wolf, executive vice president of operations, finance, administration and CFO, observed, "The efforts that we have undertaken in the last few quarters to implement an efficient business model have now become institutionalized and strong revenue growth and more robust profitability are direct outgrowths of this initiative. We have now increased our focus on Omnicell's infrastructure and processes in order to position us for continued growth."

**Conference Call Details**

Management will report financial results for the third quarter of 2003 on Thursday, October 16, at 2:00 p.m. PT via conference call. Investors and analysts may listen to this conference call by logging on to [www.omnicell.com](http://www.omnicell.com) or by dialing 800-366-3964 (domestic) or 303-262-2127 (international) approximately 10 minutes prior to the scheduled start. A replay of the call will be available from 4:00 p.m. PT on October 16 through 11:59 p.m. PT on October 23. Dialing 800-405-2236 (domestic) or 303-590-3000 (international) and entering the passcode 555643# for both numbers will access the call replay. On the conference call, management will be discussing certain additional financial and statistical information. That information can be located on the "Investor Relations" page of Omnicell's Web site at [www.omnicell.com](http://www.omnicell.com).

**About Omnicell**

Established in 1992, Omnicell (NASDAQ: OMCL) is a leading provider of patient safety solutions preferred by nurses. Addressing the medication-use process and the medical-surgical supply chain, Omnicell's broad range of solutions are used throughout the healthcare facility—in the pharmacy, nursing units, operating room, cardiac cath lab, and all the way to the patient's bedside. Improving patient care by enhancing operational efficiency, Omnicell's solutions include systems for physician order management, automated pharmacy retrieval, medication and supply dispensing, nursing workflow automation at the bedside, and Web-based procurement. More than 1,400 healthcare facilities use Omnicell's solutions to reduce medication errors, operate more efficiently, and decrease costs—ultimately contributing to improved clinical and financial outcomes. For more information, visit [www.omnicell.com](http://www.omnicell.com).

To the extent any statements contained in this release deal with information that is not historical, these statements are necessarily forward-looking. As such, they are subject to the occurrence of many events outside Omnicell's control and are subject to various risk factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statement. The risk factors are described in the Company's Securities and Exchange Commission filings and include, without limitation, the continued growth and acceptance of our products and services and the continued growth of the clinical automation and workflow automation market generally, the potential of increasing competition, the ability of the company to achieve profitability in the next few quarters, grow product backlog, retain key personnel, cut expenses, develop new products and integrate acquired products or intellectual property in a timely and cost-effective manner, and improve sales productivity. Prospective investors are cautioned not to place undue reliance on forward-looking statements.

*(see detailed financial results on next page)*

**OMNICELL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)  
(Unaudited)

	Three months ended		Change (%)	Nine months ended		Change (%)
	2003	2002		2003	2002	
<b>Revenues:</b>						
Product revenues	\$ 21,157	\$ 14,167		\$ 59,161	\$ 56,409	
Service and other revenues	5,202	3,695		14,414	10,814	
Total revenues	<u>26,359</u>	<u>17,862</u>	48%	<u>73,575</u>	<u>67,223</u>	9%
<b>Costs of revenues:</b>						
Cost of product revenues	8,683	6,792		25,208	22,790	
Cost of service and other revenues	2,117	1,393		5,542	4,804	
Total cost of revenues	<u>10,800</u>	<u>8,185</u>		<u>30,750</u>	<u>27,594</u>	
Gross profit	<u>15,559</u>	<u>9,677</u>	61%	<u>42,825</u>	<u>39,629</u>	8%
<b>Operating expenses:</b>						
Research and development	2,256	2,410		6,731	7,289	
Selling general and administrative	10,794	10,878		31,216	32,865	
Restructuring and severance charges	—	—		630	—	
Total operating expenses	<u>13,050</u>	<u>13,288</u>	-2%	<u>38,577</u>	<u>40,154</u>	-4%
Income (loss) from operations	2,509	(3,611)		4,248	(525)	
Interest and other income	116	198		376	1,049	
Interest and other expense	(41)	(15)		(118)	(559)	
Income (loss) before provision (benefit) for income taxes	2,584	(3,428)		4,506	(35)	
Provision (benefit) for income taxes	257	25		442	(10)	
Net income (loss)	<u>\$ 2,327</u>	<u>\$ (3,453)</u>		<u>\$ 4,064</u>	<u>\$ (25)</u>	
Net income (loss) per share — basic	<u>\$ 0.10</u>	<u>\$ (0.16)</u>		<u>\$ 0.18</u>	<u>\$ 0.00</u>	
Net income (loss) per share — diluted	<u>\$ 0.09</u>	<u>\$ (0.16)</u>		<u>\$ 0.17</u>	<u>\$ 0.00</u>	
Weighted average shares outstanding — basic	<u>22,961</u>	<u>21,830</u>	5%	<u>22,482</u>	<u>21,674</u>	4%
Weighted average shares outstanding — diluted	<u>26,658</u>	<u>21,830</u>	22%	<u>24,620</u>	<u>21,674</u>	14%

**OMNICELL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands)

	Sept. 30, 2003 (Unaudited)	December 31, 2002 (1)	Change (%)
<b>ASSETS</b>			
Current assets:			
Cash, cash equivalents and short-term investments	30,896	21,485	44 %
Accounts receivable, net	11,279	10,644	6 %
Inventories	8,634	12,741	-32 %
Other current assets	4,203	3,575	18 %
Total current assets	<u>55,012</u>	<u>48,445</u>	14 %
Property and equipment, net	4,434	5,026	-12 %
Other assets	11,701	12,071	-3 %
Total assets	<u>\$ 71,147</u>	<u>\$ 65,542</u>	9 %
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 4,085	\$ 5,975	-32 %
Accrued liabilities	12,774	11,695	9 %
Deferred service revenue	12,931	11,598	11 %
Deferred gross profit	11,510	18,008	-36 %
Current portion of note payable	608	1,197	-49 %
Total current liabilities	<u>41,908</u>	<u>48,473</u>	-14 %
Note payable	—	305	
Other long-term liabilities	458	458	
Stockholders' equity	28,781	16,306	77 %
Total liabilities and stockholders' equity	<u>\$ 71,147</u>	<u>\$ 65,542</u>	9 %

(1) Derived from the December 31, 2002 audited consolidated balance sheet.