Complementary Summary of Omnicell Q1 2012 Results: May 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 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.

In addition to covering 2012 first quarter results, Omnicell's May 2, 2012 conference call also addressed the agreement to acquire privately held MTS Medication Technologies that was announced the same day. Joining Randall Lipps, Omnicell chairman, president, and CEO, and Rob Seim, Omnicell CFO, was Bill Shields, president of MTS Medication Technologies. Omnicell's first quarter earnings press release as well as the announcement of the agreement to acquire MTS are posted in the "Investor Relations" section of www.omnicell.com.

Omnicell to Acquire MTS Medication Technologies, Inc.

Earlier today, Omnicell announced an agreement to acquire MTS Medication Technologies. MTS is a technology and market leader in medication management systems for the long-term care market, with a primary focus in medication adherence packaging solutions. Today, the Omnicell business is predominately in the acute care market. We provide both equipment and software that improves financial and clinical outcomes by helping nurses and pharmacists assure they get the right medications to patients, in a timely manner, with the lowest amount of clinical work. MTS provides similar benefits for the long-term care space through medication automation systems and consumables that help patients and caregivers adhere to the medication regimen prescribed. Omnicell and MTS customers see medication adherence as a key requirement for closing the medication loop and delivering better clinical outcomes and financial results.

Omnicell believes this acquisition is a great strategic fit for both companies for several reasons. First, the combination creates a company that is aligned with the long-term trends of the healthcare market. Healthcare is moving toward organizations that are responsible for the health of patients across the continuum of care and moving away from payment for an episode of treatment. The combination of these two companies establishes a market leading organization that can provide medication management across that broader continuum of care. Together, Omnicell and MTS can not only provide greater comprehensive management of medications, we can also contribute to improving clinical outcomes by helping healthcare providers assure that medications are administered correctly and in a timely manner. We believe that medication management solutions that provide consistent improvement in cost and quality will be appealing to the emerging Accountable Care Organizations and broader health care entities that are paid on results.

Second, our two businesses bring capabilities to each other that strengthen the product lines and expand the medication management coverage of both companies. MTS has a broad base of experience in the long-term care and home care markets in the US and Europe and has expertise in the manufacturing of consumables to support these markets. Omnicell has unique expertise in capital equipment and software for medication and supply management in the acute care market. Together, we will be able to better leverage an extensive customer support infrastructure and we believe our combined companies will have an unmatched capability to provide medication management solutions across a fuller spectrum of the healthcare market.

Finally, the transaction makes good financial sense both on a GAAP basis, and on a non-GAAP pro-forma basis. 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 support Omnicell's long-term goal of achieving 15% operating margins.

Bill Shields Addresses MTS Combination with Omnicell

Bill Shields, president of MTS Medication Technologies, joined the Omnicell executives on the conference call. Bill is a seasoned professional of the healthcare industry, having been the President of Pharmerica, an executive at AmerisourceBergen Corporation, and the CEO of Artromick, before joining MTS in 2009. Following are his remarks:

"First let me say how thrilled I am about this business combination. We have a great team at MTS and we believe that we share very similar management values to Omnicell. Joining forces gives us all an opportunity to reach new heights.

"I joined MTS Medication Technologies 16 months ago as president. MTS has a 28-year history of providing medication management solutions for the long-term care and retail pharmacy markets. As Randy said, our primary customers are institutional pharmacies that supply specialized pharmacy services to long-term care facilities. Our equipment and software all work together to provide varying levels of automation to these pharmacies.

"As you may know, Institutional pharmacies provide service to nursing homes, assisted living facilities, correctional facilities as well as a range of other facilities that all need to manage complex medication regimens. In all of those settings, specialized packaging is a core operating requirement for the pharmacy in order to facilitate the safe and cost effective storage, management, and administration of medications by nurses, other healthcare professionals, and caregivers.

"Our equipment and automation product line rounds out our value proposition by enabling pharmacies to pack, seal and label medications in our blister cards. These systems range in price from a few thousand dollars for relatively basic equipment that enables the filling and sealing of a single medication blister pack, to more complex and fully automated equipment that can cost up to $1 million per unit.

"All of our products are intended to help the medical industry overcome the problem of medication non-adherence. Medication non-adherence is a universally recognized problem for people who live at home. Patients who are elderly or suffering from chronic illness have increasingly complex treatment regimens that can easily include

5 to 10 medications or more. Patients and the non-professional caregivers that assist them can struggle to organize, store, and administer their medications as prescribed. This can create a wide range of human and economic costs including poor medical outcomes, or worse.

“According to the New England Healthcare Institute, non-adherence is a costly, critical problem resulting in approximately 125,000 deaths per year and creating approximately $290 billion in extra costs annually. The Center for Medicare and Medicaid Services estimates that 11% of total hospital admissions are related to this issue.

“To help solve the problem of non-adherence, our product line also includes multi-med blister cards which are one way to help patients address these challenges by pre-sorting the medications for each dose administration time. Patients then know what to take, when to take it and can visually confirm that medications have been administered. This approach is catching on fastest in our international markets – but we can see a clear benefit for patients in the U.S. as well.

“As you can imagine, multi-med medication delivery methods are more complex and can take a pharmacist and technician over 20 minutes per patient to fill. We have multi-med automation that can substantially reduce the time required.

“Once our systems are installed, packaging components are supplied by MTS. When you aggregate both single and multi-med consumables we carry over 300 different types and ship well over 1 million sets of components daily from our factory in St. Petersburg, Florida. We count some of the largest institutional pharmacies in the United States, the United Kingdom, and Germany as our customers. Our product mix is about 85% consumables and 15% equipment; our market mix is about 80% in the U.S. and 20% outside the US.

“For the last three years, MTS has been a private company. During that time, we focused on operational efficiency in our manufacturing process utilizing state-of-the-art manufacturing concepts. We developed new products and expanded into medication adherence solutions, improved the financial profile of MTS, and positioned the company to capitalize on future growth opportunities. The management team that made this happen will be continuing on with Omnicell. The combination is an exciting opportunity for us. Like Omnicell, we share the same vision to provide the highest level of customer service in the industry. Our corporate cultures are a good fit. We are both expanding our presence in medication management. Omnicell's acute care customer relationships and capital equipment experience opens up opportunities we would not have had in MTS alone. I can say the whole MTS management team is looking forward to this opportunity."

Bill Shields will report directly to Randy Lipps and remain in charge of all currently branded MTS Medication Technology solutions. Over time, as the two companies' strategies meld together, they will take advantage of opportunities provided by the combined capabilities.

A History of Innovative Acquisitions

At Omnicell, we feel we have been successful with acquisitions. In fact, 85% of the revenue at Omnicell today is associated with an acquisition. Over the past three years we have extended our acquisition integration expertise within Omnicell to allow us to be successful with larger transactions. We feel we are well prepared for the acquisition of MTS and the fact that Bill and his team will be staying with us helps assure success.

Omnicell Business Update

Omnicell had a solid first quarter that keeps our momentum in line with our annual growth projections for both revenue and profit. The new products we announced last year and the expansion of our sales team are driving new sales. Also, our entry into the China market is going well. We feel our international strategy is working and in all respects, Q1 financial results met expectations.

A great example of a longstanding customer for whom our new products provided an even better partnership with Omnicell is in our recent announcement of the G4 expansion at Texas Children's Hospital. Texas Children's has been an Omnicell customer for 10 years. Over time, they have expanded their installation to encompass most of the solutions we sell. Children's hospitals have very exacting standards. Their cases are of the utmost sensitivity. The range of medications and doses is the widest of any healthcare setting. There is no tolerance for error. This is the type of environment where we feel the advanced features of our systems become most relevant.

Texas Children's has recently chosen Omnicell to provide medication and supply management solutions for their $575 million dollar expansion, which is served by our new G4 medication systems on both the nursing floor and in the operating rooms. They use AnywhereRN for nursing efficiency. They use our Flex Bin technology for single-dose dispensing to control narcotics and eliminate nurse inventory counts, which allows nurses to spend more time on patient care. In the central pharmacy Texas Children's is using our new Controlled Substance Management system to manage their store of narcotics. And they manage their supplies with our Optiflex supply automation software. The Omnicell systems are a significant part of their Electronic Healthcare Record initiative and, as the only medication management system with modular certification for meaningful use, we provide assurance they can fulfill the requirements for Texas Children's to receive the highest level of federal stimulus dollars available.

We are frequently asked what the customer environment is like now. Our customers face unprecedented challenges in technology changes, healthcare reform, and changing patient and payer mix. In times of uncertainty there are many reasons to move cautiously with technology investments. But Omnicell believes that, more and more, our customers are seeing how the capabilities we introduced with our G4 product launch last year help them through the challenges they face with minimal disruption.

We continue to be optimistic about our potential for the future. We added over 500 new customers in the past three years to our core medication and supply automation business, and we now have many new solutions to help them as their business changes. The expansion of our sales team is allowing us to spend more time with these customers. And I believe that we are starting to see this in our results.

At the same time, our strategy outside the US to introduce automation in markets that do not have it today is opening up a whole new opportunity for our customers to apply our innovations for efficiency and control. So overall, our strategy is working and we are on track to deliver continued improvements in healthcare economics and safety.

MTS Acquisition Details

As we've said in the past, growth through acquisition is one of the three pillars to Omnicell's overall strategy, along with international market expansion and further penetration of our customer base in the United States. The acquisition of MTS expands our business significantly, and we believe is a good use of our cash because it is expected to drive growth in our business.

Omnicell is acquiring MTS Medication Technologies for $156 million in an all cash transaction. The transaction is expected to close in late Q2 or early Q3 following the Hart-Scott-Rodino anti-trust review. MTS recorded approximately $75 million of revenue and $12 million of EBITDA in their last fiscal year ended March 31, 2012. Excluding amortization of intangible acquisition related costs, we expect the acquisition to be accretive in 2012. We'll be able to give a more specific forecast for 2012 as we get more clarity on the close date.

For 2013, when we have a full year of MTS performance included in our results, we currently anticipate non-GAAP EPS accretion of approximately $0.15-$0.17 per share excluding amortization of acquisition related costs. Following the acquisition, Omnicell's employee base will be approximately 1100 regular employees worldwide, and we will add facility locations in Florida, Ohio, the UK, and Germany. Following the acquisition we expect to have approximately $50-55 million of cash and cash equivalents remaining on our balance sheet.

Q1 2012 Results

Now turning to the first quarter of 2012, our results were just about exactly where we had previously expected, with $64.1 million of revenue and $0.13 per share of Non-GAAP earnings. Our orders were a little more skewed to existing customers, as we expect them to be while adoption of the G4 upgrades grows. 28% of our Q1 orders came from new Greenfield customers or competitive conversions, with about threefourths of those being Greenfield customers who are buying automation for the first time.

Revenue for Q1 2012 increased 12% from Q1 2011 and 2% from Q4 2011. Q1 2012 Profit on a GAAP basis was $0.07 per share, up from $0.02 per share one year ago. We also look at our profits on a Non-GAAP basis, excluding stock compensation expense, which is the non-cash expense representing the estimated future value of employee stock options, restricted stock, and our employee stock purchase plan. We use Non-GAAP financial statements in addition to GAAP financial statements, and we feel it is useful for investors to understand the 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 first quarter earnings press release and is posted on our web site.

On a Non-GAAP basis, EPS of $0.13 in Q1 2012, was up from $0.11 in Q1 2011, but down from $0.19 in Q4 of 2011. There were three reasons for the decline in profit from Q4 2011, all of them anticipated in our guidance for Q1 that we gave in January. First, we typically have seasonally higher expenses in Q1 that cause a drop in earnings for the quarter. Second, we had higher R&D expense booked in the quarter because we did not capitalize any software R&D expense. We run about $6.2 million of gross R&D expense each quarter. The amount of R&D that is capitalized can vary depending upon where we are in product development cycles. Finally, we had a benefit of $0.02 per share in Q4 2011 for a company bonus plan that was not achieved, and that benefit did not repeat in Q1 2012.

Our Non-GAAP operating margin was 9.2% in the quarter, up from 7.7% in Q1 2012. This is down sequentially, but in line with our expectations and our guidance for overall improvement towards 15% by the end of the year.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, which also excludes stock compensation amortization, were $8.2 million for the first quarter of 2012, up from $6.3 million or an increase of 32% from a year ago.

The balance sheet remains very strong. Cash and cash equivalents were $210 million, up $10 million from Q4 2011. We did very well on collections, keeping our Accounts Receivable days sales outstanding at 56, up two days from last quarter, but well below our current target range of 60-70 days. Inventory also decreased from $18 to $17 million. As we've demonstrated today, we target our cash for complementary acquisitions, and we believe after the acquisition we will continue to generate enough cash to remain active in the acquisition market.

Guidance

Regarding the remainder of 2012, we believe we are on track with our previous guidance. We expect 2012 revenue, excluding MTS Medication Technologies, to be between $263 and $267 million, up 7-8%. We expect Non-GAAP earnings excluding MTS Medication Technologies to be between $0.67 and $0.72 per share, up 14-22%.

Consistent with our strategy, we expect orders to shift towards existing customers, as the G4 upgrade cycle becomes a greater percentage of our business. Of the new customers, we expect greenfield customers to be a higher mix of our business because most international accounts are first time buyers of medication or supply automation. We expect 2012 year-end product backlog, excluding MTS Medication Technologies, to be between $138 and $142 million, an increase of up to six percent from 2011.

We are keeping our sights on our goal of 15% non-GAAP operating margins and expect to make significant progress toward this goal through 2012. By the end of the year, we expect to be very close to achieving 15%.

After we close the acquisition of MTS Medication Technologies, we expect to reevaluate our guidance for 2012. We expect to continue our practice of giving guidance for annual revenue, annual non-GAAP earnings per share, and year end product backlog, although product backlog will represent less of our business after the MTS acquisition because of the heavy mix of consumables.

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

	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011
Revenues:			
Product	$ 48,524	$ 47,281	$ 42,575
Services and other revenues	15,619	15,650	14,585
Total revenue	64,143	62,931	57,160
Cost of revenues:			
Cost of product revenues	20,296	19,572	17,836
Cost of services and other revenues	8,098	7,480	7,674
Total cost of revenues	28,394	27,052	25,510
Gross profit	35,749	35,879	31,650
Operating expenses:			
Research and development	6,494	5,903	4,840
Selling, general, and administrative	25,620	23,807	25,781
Total operating expenses	32,114	29,710	30,621
Income from operations	3,635	6,169	1,029
Other income and (expense), net	96	(67)	54
Income before provision for income taxes	3,731	6,102	1,083
Provision for income taxes	1,380	1,964	413
Net income	$ 2,351	$ 4,138	$ 670
Net income per share:			
Basic	$ 0.07	$ 0.13	$ 0.02
Diluted	$ 0.07	$ 0.12	$ 0.02
Weighted average shares outstanding:			
Basic	33,365	33,097	33,184
Diluted	34,341	34,114	34,098

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

	March 31, 2012 (unaudited)	December 31, 2011 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 201,420	$ 191,762
Short-term investments	8,117	8,107
Accounts receivable, net	38,973	38,661
Inventories	16,993	18,107
Prepaid expenses	9,904	10,495
Deferred tax assets	10,352	10,352
Other current assets	6,046	6,107
Total current assets	291,805	283,591
Property and equipment, net	17,112	17,306
Non-current net investment in sales-type leases	11,361	8,785
Goodwill	28,543	28,543
Other intangible assets	4,157	4,231
Non-current deferred tax assets	11,801	11,677
Other assets	9,149	9,716
Total assets	$ 373,928	$ 363,849
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 10,610	$ 11,000
Accrued compensation	7,727	7,328
Accrued liabilities	8,253	8,901
Deferred service revenue	19,835	19,191
Deferred gross profit	15,877	14,210
Total current liabilities	62,302	60,630
Long-term deferred service revenue	19,003	18,966
Other long-term liabilities	1,733	1,339
Total liabilities	83,038	80,935
Stockholders' equity:		
Total stockholders' equity	290,890	282,914
Total liabilities and stockholders' equity	$ 373,928	$ 363,849

(1) Information derived from our December 31, 2011 audited consolidated financial statements, with reclassification between Accounts receivable and Accrued liabilities to be consistent with current period presentation.

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

	Three months ended					
	March 31, 2012		December 31, 2011		March 31, 2011	
	Net income	Earnings per share-diluted	Net income	Earnings per share-diluted	Net income	Earnings (loss) per share-diluted
GAAP	$ 2,351	$ 0.07	$ 4,138	$ 0.12	$ 670	$ 0.02
Non-GAAP Adjustments:						
ASC 718 adjustment (a)						
Gross Margin	268		290		367	
Operating Expenses	1,939		1,955		2,025	
Litigation settlement, net of tax (b)	—		—		620	
Total after-tax adjustments	2,207	0.06	2,245	0.07	3,012	0.09
Non-GAAP	$ 4,558	$ 0.13	$ 6,383	$ 0.19	$ 3,682	$ 0.11

(a) This adjustment reflects the accounting impact of non-cash stock-based compensation expense related to the impact of ASC 718 for the periods shown.

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

Omnicell, Inc.
Calculation of Adjusted EBITDA (1)
(In thousands, unaudited)

	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011
GAAP net income	$ 2,351	$ 4,138	$ 670
Add back:			
ASC 718 stock compensation expense	2,207	2,245	2,392
Litigation settlement, pre-tax	—	—	1,000
Interest	(31)	(21)	(75)
Depreciation and amortization expense	2,335	2,163	1,852
Income tax expense	1,380	1,964	413
Non-GAAP adjusted EBITDA (1)	$ 8,242	$ 10,489	6,252

(1) Defined as earnings before interest income and expense, taxes, depreciation and amortization, and non-cash expenses, including stock compensation expense, per ASC 718. Also excludes first quarter 2011 non-GAAP adjustment for pre-tax litigation settlement.