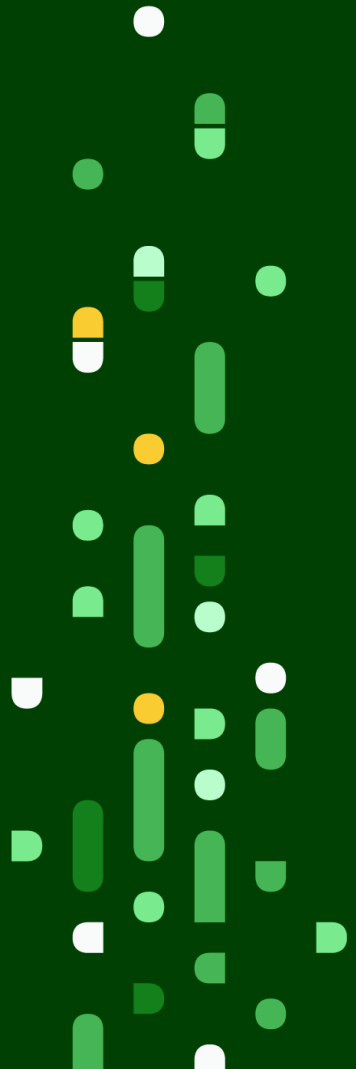
Omnicell®

Investor Relations

February 14, 2022



Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of federal securities laws. These forward-looking statements include statements with respect to 2022 guidance, 2025 targets, growth targets, other expectations and other non-historical information. Without limiting the foregoing, statements including the words "expect," "intend," "may," "will," "should," "would," "could," "plan," "potential," "anticipate," "believe," "forecast," "guidance," "outlook," "goals," "target," "estimate," "seek," "predict," "project," and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to the occurrence of many events outside Omnicell's control and are subject to various risks and uncertainties, including those described below. Among other things, there can be no assurance that Omnicell's actual results or growth rates will not differ, perhaps substantially, from the targets and expectations contained in this presentation.

Such statements also include, but are not limited to, Omnicell's projected bookings, GAAP and non-GAAP revenues, including GAAP and non-GAAP product and service revenues, respectively, non-GAAP EBITDA, non-GAAP earnings per share, growth rates, total addressable market and margin expansion; planned new products and services and the related expected benefits; and statements about Omnicell's strategy, objectives, and vision, including its corporate responsibility (innovation, environment, social and governance) goals and strategies. Actual results and other events may differ significantly from those contemplated by forward-looking statements due to numerous factors that involve substantial known and unknown risks and uncertainties. These risks and uncertainties include, among other things, (i) risks related to the ongoing COVID-19 pandemic (including new variants of the virus), (ii) Omnicell's ability to take advantage of growth opportunities and develop and commercialize new solutions and enhance existing solutions, (iii) continued and increased competition from current and future competitors in the medication management automation solutions market and the medication adherence solutions market, (iv) unfavorable general economic and market conditions or reduction in demand for our solutions, (v) Omnicell's substantial debt, which could impair its financial flexibility and access to capital, (vi) risks related to Omnicell's investments in new business strategies or initiatives, including its transition to selling more products and services on a subscription basis, and its ability to acquire companies, businesses, or technologies and successfully integrate such acquisitions, (vii) risks presented by government regulations, legislative changes, fraud and anti-kickback statues, products liability claims, the outcome of legal proceedings, and other legal obligations related to healthcare, privacy, data protection, and information security, (viii) any disruption in Omnicell's information technology systems and breaches of data security or cyber-attacks on its systems or solutions, (ix) risks associated with operating in foreign countries, (x) Omnicell's ability to recruit and retain skilled and motivated personnel, (xi) Omnicell's ability to protect its intellectual property, (xii) Omnicell's ability to meet the demands of, or maintain relationships with, its institutional, retail, and specialty pharmacy customers, (xiii) risks related to the availability and sources of raw materials and components or price fluctuations, shortages, or interruptions of supply, (xiv) Omnicell's dependence on a limited number of suppliers for certain components, equipment, and raw materials, as well as technologies provided by third-party vendors, and (xv) other risks and uncertainties further described in the "Risk Factors" section of Omnicell's most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q, as well as in Omnicell's other reports filed with or furnished to the United States Securities and Exchange Commission ("SEC"), available at www.sec.gov. Forward-looking statements should be considered in light of these risks and uncertainties. Investors and others are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements contained in this press release speak only as of the date of this press release. Omnicell assumes no obligation to update any such statements publicly, or to update the reasons actual results could differ materially from those expressed or implied in any forward-looking statements, whether as a result of changed circumstances, new information, future events, or otherwise, except as required by law.

Non-GAAP Financial Information

This presentation contains financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP"), including 2021 total non-GAAP revenue, non-GAAP EBITDA, non-GAAP earnings per share, non-GAAP operating margin and non-GAAP EBITDA margin, guidance with respect to 2022 total non-GAAP revenues, non-GAAP product revenues, non-GAAP service revenues, non-GAAP EBITDA and non-GAAP earnings per share, and expected annual revenue, targeted non-GAAP operating margin and targeted non-GAAP EBITDA margin. Reconciliations of the 2021 non-GAAP financial measures, as well as non-GAAP gross profit, non-GAAP gross profit margin, non-GAAP operating expenses, non-GAAP income from operations, non-GAAP net income and non-GAAP free cash flow and 2020 non-GAAP operating margin and 2020 non-GAAP EBITDA margin, to the most directly comparable GAAP measures are included in the Appendix to this presentation. Our 2022 guidance for total non-GAAP revenues, non-GAAP product revenues, non-GAAP service revenues, non-GAAP EBITDA and non-GAAP earnings per share, and our expected annual revenue, non-GAAP operating margin target and non-GAAP EBITDA margin target, exclude certain items, which include, but are not limited to, unusual gains and losses, costs associated with future restructurings, acquisition-related expenses, and certain tax and litigation outcomes. These excluded items may be significant. We do not provide a reconciliation of forward-looking non-GAAP guidance or targets to the comparable GAAP measures as these items are inherently uncertain and difficult to estimate and cannot be predicted without unreasonable effort. We believe such a reconciliation would imply a degree of precision that could be confusing to investors. These items may also have a material impact on GAAP earnings per share, total revenues, product revenues, and service revenues in future periods. As such, these forward-looking non-GAAP financial measures are limited in their utility for evaluating our future operating results in accordance with GAAP.

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VISION

The Autonomous Pharmacy will transform the pharmacy care delivery model by enabling the provider to practice at the top of their license.



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Delivering Strong Results and Building Momentum

FY 2021 Actuals

$1.217B	$1.133B	$230M	$3.81
Product Bookings	Total Non-GAAP Revenue	Non-GAAP EBITDA	Non-GAAP EPS

FY 2022 Guidance*

$1.370-$1.430B	$1.385-$1.410B	$243-$255M	$3.75-$3.95
Product Bookings	Total GAAP and Non-GAAP Revenues	Non-GAAP EBITDA	Non-GAAP EPS

DISCLAIMER: See Appendix for a reconciliation of 2021 non-GAAP revenues, 2021 non-GAAP EBITDA and 2021 non-GAAP EPS to their most directly comparable GAAP financial measures. We do not provide a reconciliation of forward-looking non-GAAP guidance to the comparable GAAP measures as these items are inherently uncertain and difficult to estimate and cannot be predicted without unreasonable effort.
*Includes the anticipated contributions of ReCept, MarkeTouch Media, and the previously-acquired RxInnovation Inc., operating as FDS Amplicare ("FDS Amplicare"), as well as the anticipated effects of the current inflationary environment.

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Projected Long-Term Value Upside

- Clear leadership position in the digital transformation of healthcare with $70B+ Total Addressable Market (TAM)
- Targeting 14-15% 2021-2025 revenue CAGR (organic 11-12%, inorganic 3%)
- Targeting ~400bps increase in Non-GAAP EBITDA margins from 2021-2025
- High revenue visibility from recurring revenue, long-term sole-source agreements and strong product backlog
- Targeting ~50% 2020-2025 revenue CAGR for SaaS, Subscription Software & Tech-Enabled Services

Well-Positioned for Continued Growth and Shareholder Value Creation



1. Category creator positioned to transform the pharmacy care delivery model
2. Leading strategic partner to health systems in large and growing market segments
3. Resilient, high-visibility revenue accelerated by high-growth SaaS, Subscription Software & Tech-Enabled Services
4. Demonstrated track record of growth and margin enhancement with more expected to come

Leveraging our market-leading installed base to drive recurring revenue growth in advanced services

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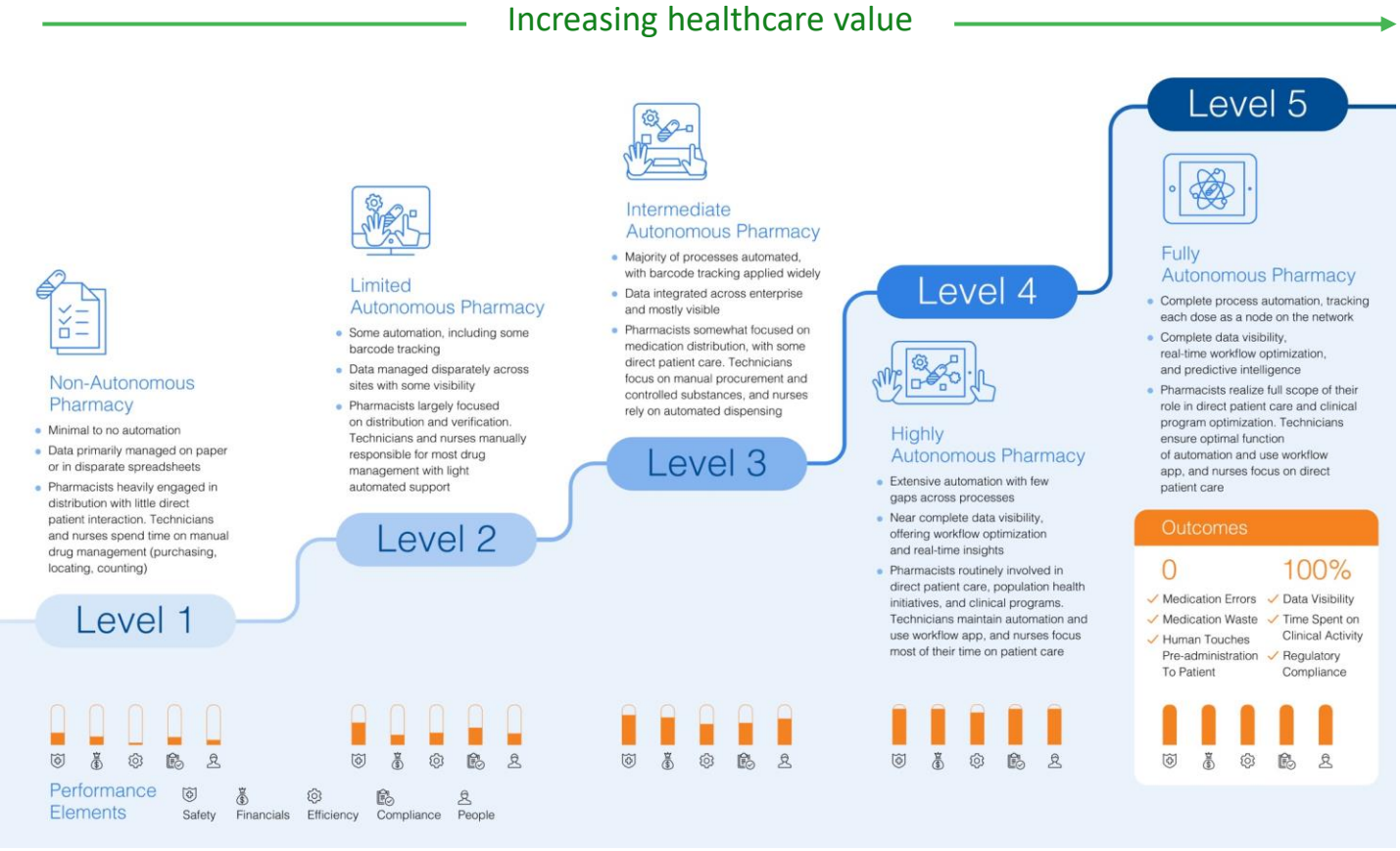
1 Omnicell Provides Solutions for an Expensive and Error-Prone Medication Management Reality

	Medication Management is Expensive and Error-Prone	Omnicell's Current Solutions Deliver Results[6]
Safety	**25,000** Errors Annually in Hospitals[1] **4** Errors Per Day in Outpatient Pharmacies[2] **47 million** Doses Lost to Drug Diversion[4] **1** Error Per 200 Drug Dispenses[1,5]	Enhanced Patient Safety **99.999997%** Accuracy with Full Medication Barcode Scanning
Financial	**Global: $1,331B** **US: $549B** Projected Annual Medication Spend[3] **39%** Drop in Margins for For-Profit Health System[4] **18.5%** Drug Spend Increase (5x Inflation)[4]	**66%** Reduction in IV Costs Insourcing vs. Outsourcing **10%** Increase in Prescription Volume
Efficiency	**75%** Pharmacist Tasks Are Non-Clinical[4] **3,000-4,500** SKUs of Drugs Managed in Systems[4] **20-30%** Prescriptions Are Never Filled[4] **250+** Active Drug Shortages[4]	**54%** Reduction of Nurse Medication Retrieval Time **200-300%** More Doses Stored[7]
Compliance	**341+** Compliance Requirements[4] **$39 billion** Annual Spend in Compliance Admin[4]	Greatly Increased Data Visibility and Regulatory Compliance
People	**50%+** Pharmacists Experience High Burnout[4] **1 in 4** Hospitals Cut Staff to Manage Costs[4] **Numerous Problems** Directly Correlated to Safety and Patient Satisfaction[4]	**74%** Time Saved By Nurses **80%** Time Saved By Pharmacists

1. Poon, China, Churchill, et al. Ann Intern Med 2006; 145(6):426-434.
2. Flynn, Barker, Carnahan Am J Pharm Assoc 2003: 43:191-200.
3. Global Medicine Spending and Usage Trends, IQVIA, April 2021. Gross spend estimate before any rebates/discounts; Excludes COVID-19 vaccines.
4. Autonomous Pharmacy White Paper and Industry publications.
5. 0.5% Non-IV Dispensing Errors.
6. Statistics below are based on Omnicell customer outcomes, Omnicell estimates.
7. Relative to conventional robots of similar size.

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1 Autonomous Pharmacy Framework



- In 2019, leading health systems jointly created a framework analyzing the technological maturity of pharmacies
- The group determined there was a significant opportunity to drive greater healthcare value
- The group established a 5-level framework and noted that the majority of the industry was at Level 2 today
- As customers move to higher levels, they substantially increase efficiency, safety and compliance while reducing costs
- Omnicell provides solutions to facilitate this evolution and drive tremendous value for customers

NOTE: Autonomous Pharmacy White Paper and Industry publications.

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1 Omnicell's Autonomous Pharmacy is a New Category of Solutions That Fundamentally Improves Provider Outcomes

Omnicell One™ | CPDS | IVCS | EnlivenHealth® | Omnicell340B | ReCept | Future Services[1]

One Platform

Omnicell Connected Devices



XT Automated Dispensing Systems



Anesthesia Workstation



XR2 Robot



IV Robot



IVX Workflow

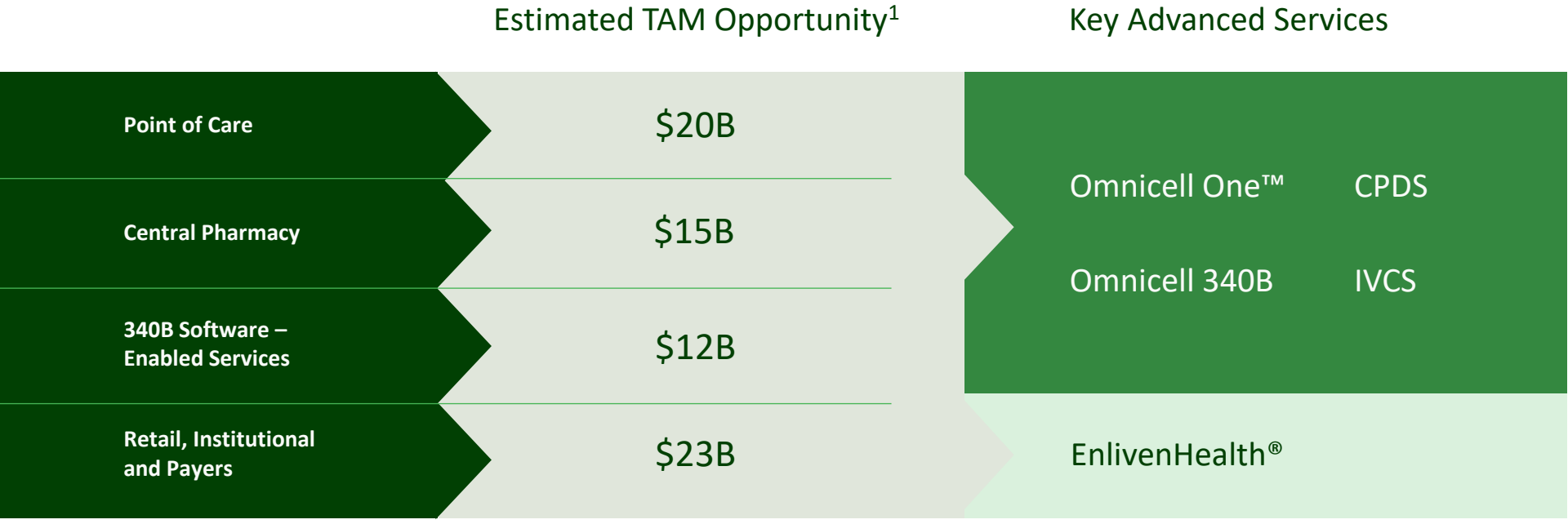
Future Devices[1]

1.Future services and future devices represent potential future technology that is under development and may or may not ever become generally available to the commercial marketplace. Omnicell makes no commitment with regard to such potential future technology.

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2 Leader in Large and Growing Segments

Omnicell is growing its leadership position across a $70B+ TAM



1. Represents estimated cumulative TAM over 10 years and includes North America, UK, Germany, France, Spain, Kingdom of Saudi Arabia, UAE & Qatar.

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3 Resilient and High-Visibility Revenue

Robust Backlog

- Robust product backlog

Deep Customer Relationships

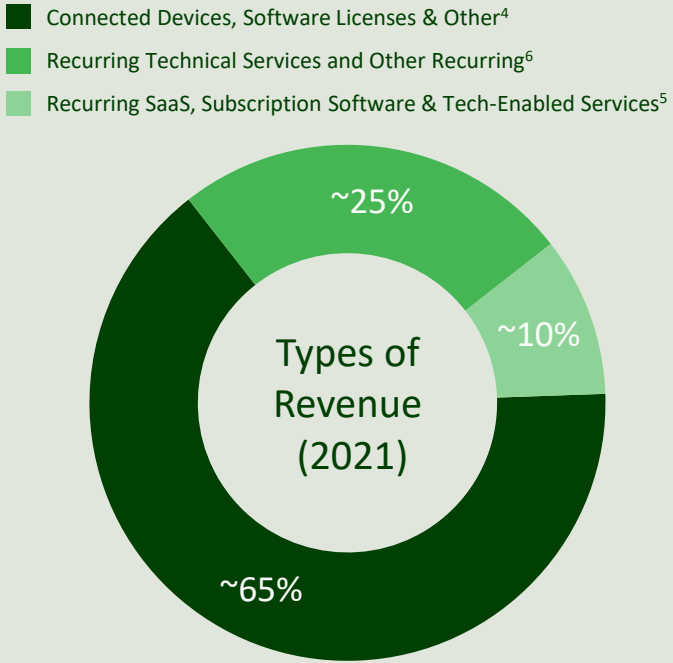
- **151** of the top 300 U.S. health systems in long-term, sole-source agreements[1,2]

Customer Retention

- **99%+** customer retention[3]

Point of Care Installed Base More Than Halfway in Upgrade Cycle

- **55%** through XT series replacement cycle[2]



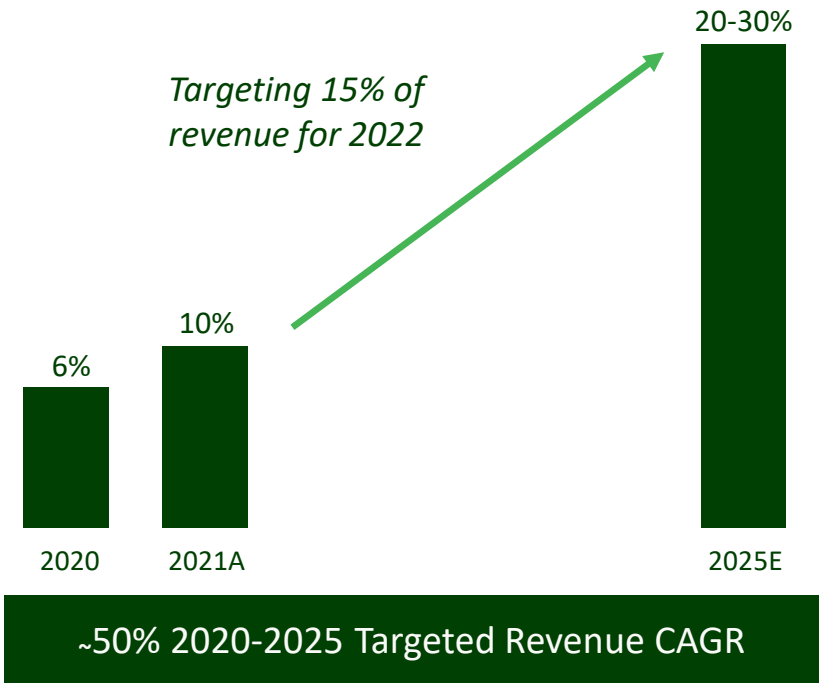
High revenue visibility from recurring revenue, sole-source agreements and backlog

1. As defined by Definitive Healthcare.
2. As of 12/31/2021.
3. Measured over the past year on a revenue basis.
4. High visibility revenue based on backlog, pipeline, and long-term sole-source agreements.
5. Includes Central Pharmacy Dispense Services (XR2aaS), EnlivenHealth, IV RIIS Service, Omnicell 340B, Omnicell One Service and RobotRX Service (Pak Plus).
6. Includes revenue from Consumables.

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3 Advanced Services Accelerating Recurring Revenue Growth

SaaS, Subscription Software & Tech-Enabled Services (% of Total Revenue)



~50% 2020-2025 Targeted Revenue CAGR

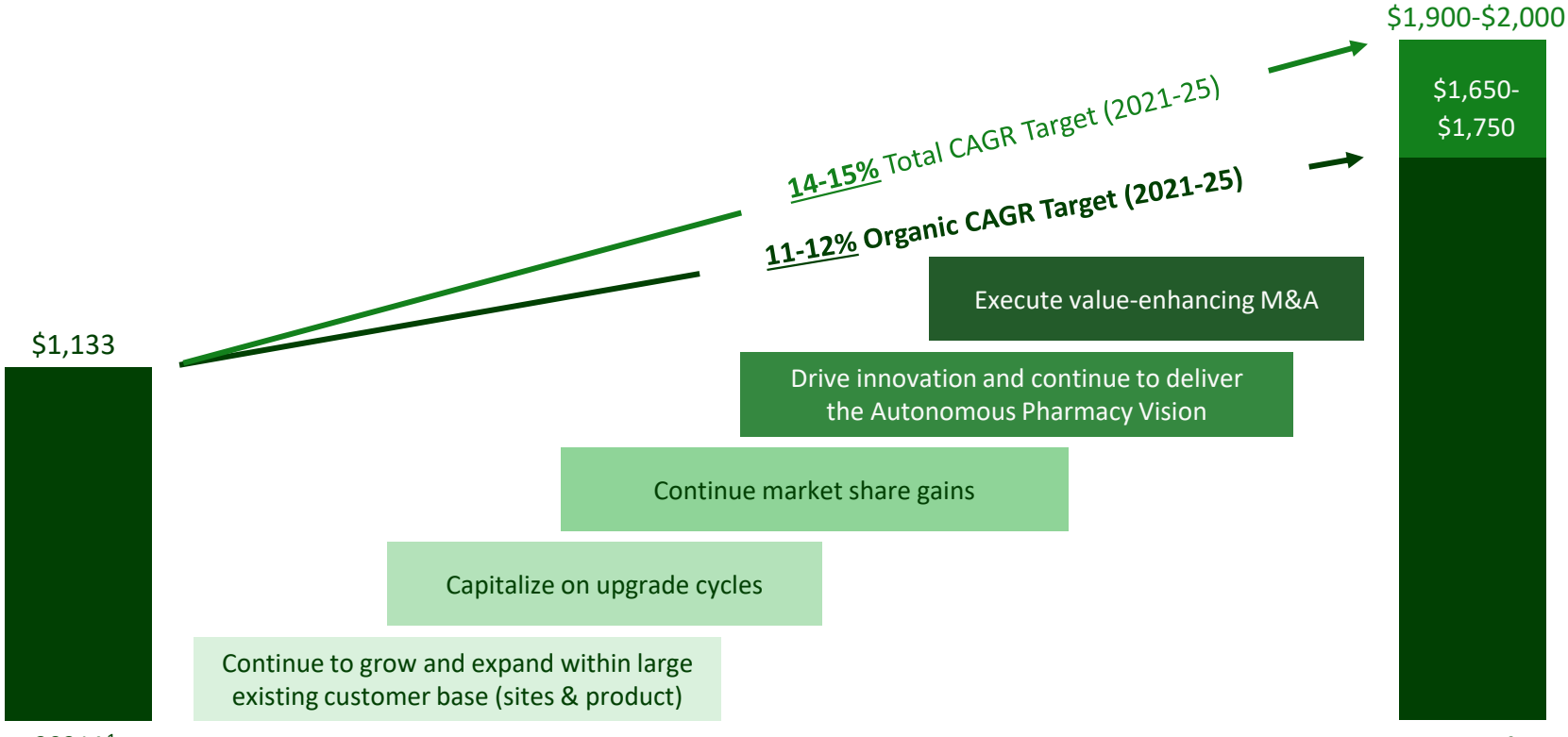
- Leveraging established channel and strong customer relationships
- Strong demand driven by increasing provider digitization and need to evolve medication supply chain
- Omnicell's cloud-based services designed to enable better outcomes
- Subscription-based, recurring revenue streams
- Significantly increases core addressable market
- High margin unit economics

NOTE: Includes Central Pharmacy Dispense Services (XR2aaS), EnlivenHealth, IV RIIS Service, Omnicell 340B, Omnicell One Service and RobotRX Service (Pak Plus).

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4 Driving Profitable Growth Through Disciplined Execution

Expected Annual Revenue ($ in Millions)

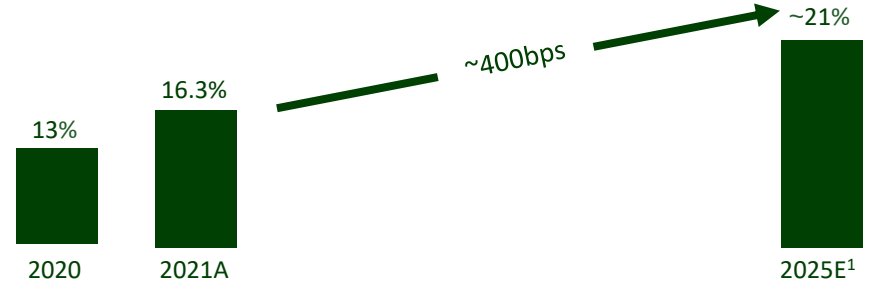


[1]Non-GAAP Revenue. See Appendix for a reconciliation of 2021 non-GAAP revenue to its most directly comparable GAAP financial measure.
[2]Non-GAAP Revenue. We do not provide a reconciliation of forward-looking non-GAAP guidance to the comparable GAAP measures as these items are inherently uncertain and difficult to estimate and cannot be predicted without unreasonable effort.

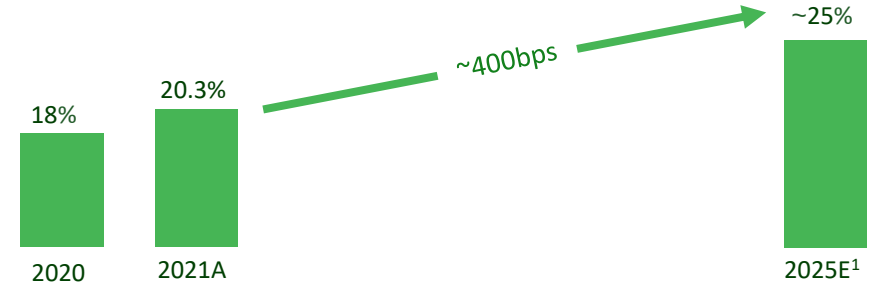
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4 Continuing to Drive Margin Expansion

Targeted Non-GAAP Operating Margin (%)



Targeted Non-GAAP EBITDA Margin (%)



Key Drivers of Margin Enhancement[2]

- **Improving Business Mix** – SaaS, Subscription Software & Tech-Enabled Services targeted to represent 20-30% of revenue by 2025, supporting strong gross margins
- **Long-Term Customer Partnerships** – Sole-source agreements with 151 of the top 300 U.S. health systems[3,4] and many outside of the top 300
- **Economies of Scale** – Supply chain and operating expense volume leverage
- **Manufacturing Savings** – Cost productivity programs
- **Process Efficiencies** – Increasing virtualization of commercial and implementation processes

1. Margin percentage assumes subsiding of inflation over the period 2. Targets issued prior to current inflationary environment 3. As of 12/31/21 4. As defined by Definitive Healthcare

DISCLAIMER: See Appendix for a reconciliation of 2020 and 2021 non-GAAP operating margin and 2020 and 2021 non-GAAP EBITDA margin to their most directly comparable GAAP financial measures. We do not provide a reconciliation of forward-looking non-GAAP guidance to the comparable GAAP measures as these items are inherently uncertain and difficult to estimate and cannot be predicted without unreasonable effort.

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4 Building on Our Track Record of Delivering Shareholder Value

Omnicell's Total Shareholder Return

Time Period	Omnicell (OMCL)	S&P Healthcare (XLV)	Outperformance
1 Year	+19%	+17%	+2%
3 Year	+105%	+58%	+47%
5 Year	+323%	+104%	+219%
10 Year	+853%	+341%	+512%

Omnicell has outperformed the S&P Healthcare Index on all timeframes

NOTE: Total shareholder return is as of 2/9/22 and assumes dividends are reinvested; all figures are rounded to the nearest whole number.
Past results are not indicative of future performance.

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Well-Positioned for Continued Growth and Shareholder Value Creation

1 Category creator positioned to transform the pharmacy care delivery model

- Large portion of the healthcare sector: $1,331B annually globally

2 Leading strategic partner to health systems in large and growing market segments

- Clear leadership position in the digital transformation of healthcare with $70B+ TAM

3 Resilient, high-visibility revenue accelerated by high-growth SaaS, Subscription Software & Tech-Enabled Services

- Robust product backlog, long-term sole-source agreements and 99%+ customer retention
- Targeting ~50% 2020-2025 revenue CAGR for SaaS, Subscription Software & Tech-Enabled Services

4 Demonstrated track record of growth and margin enhancement with more expected to come

- Targeting 14-15% 2021-2025 total revenue CAGR (organic 11-12%, inorganic 3%)
- Targeting ~400bps increase in Non-GAAP EBITDA margin from 2021-2025

Leveraging our market-leading installed base to drive recurring revenue growth in advanced services

DISCLAIMER: We do not provide a reconciliation of forward-looking non-GAAP guidance to the comparable GAAP measures as these items are inherently uncertain and difficult to estimate and cannot be predicted without unreasonable effort.

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Financial Guidance

Includes the anticipated contributions of ReCept, MarkeTouch Media, and the previously-acquired FDS Amplicare, as well as the anticipated effects of the current inflationary environment.

	Q1 2022	FY 2022
Product Bookings	Not Provided	$1.370 - 1.430 Billion
Total GAAP and Non-GAAP Revenues	$312 - 318 Million	$1.385- 1.410 Billion
GAAP and Non-GAAP Product Revenues	$216 - 219 Million	$950 - 965 Million
GAAP and Non-GAAP Service Revenues	$96 - 99 Million	$435 - 445 Million
Non-GAAP EBITDA	$45 - 49 Million	$243 - 255 Million
Non-GAAP EPS	$0.65 - $0.72	$3.75 - $3.95

DISCLAIMER: We do not provide a reconciliation of forward-looking non-GAAP guidance to the comparable GAAP measures as these items are inherently uncertain and difficult to estimate and cannot be predicted without unreasonable effort.

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Appendix

Omnicell Delivers a Suite of Innovative Solutions

Service	**Technical Services** · **Professional Services** · **Advisory Services**	**Outcomes**
Intelligence	**Omnicell One™** — **340B Analysis** · **Inventory Analytics** · **Diversion Management** · **Compliance** · **EnlivenHealth™**	Safety + Financial Savings + Efficiency + Compliance + People
Operational Support	**340B Split Billing** · **Contract Pharmacy Management** · **Inventory Management** · **Operational Reporting** · **ReCept** (Omnicell 340B)	
Automation / Connected Devices	**XR2** · **IV Robot** · **IVX** — **Central Pharmacy**; **XT** · **Anesthesia Workstation** — **Point of Care**; **VBM 200F** · **Multimed Pack** — **Med Adherence**	
Platform	**Omnicell Data Platform**	

Hospital · Ambulatory · Post-Acute · Retail · U.S. · International

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Winning Go-To-Market Strategy

- Long-term strategic partnerships with key customers
- Over half of the Top 300 U.S. Health Systems[1] are current Omnicell customers
- 151 of those have entered into long-term sole source partnership agreements with Omnicell[2]
- Multiyear co-development plans with the majority of these long-term sole-source partnership arrangements



1. As defined by Definitive Healthcare.
2. As of 12/31/21.

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Multiyear Co-Development Plan Example: Large Health System Customer

	Year 1	Year 2	Year 3	Year 4/5	KPI
New Hospital	$	$ $		$	Safety Efficiency
Medical Center 1	$	$ $		$	Safety Efficiency
University Campus	$	$			People Compliance
Medical Center 2	$			$	Safety Efficiency
Medical Center 3	$	$		$	Safety Efficiency
Medical Center 4	$		$	$	Financials Efficiency
Medical Center 5	$			$	Safety Compliance
Hospital	$	$		$	Safety Compliance
Medical Center 6		$		$	People Safety
Medical Center 7, 8 & 9	$	$			Financials Compliance

$ = PO | Projects: IT Infrastructure, PoC XT Series, Central Pharmacy Carousel, XR2, Robot Upgrade, IV Workstation, Anesthesia Workstation

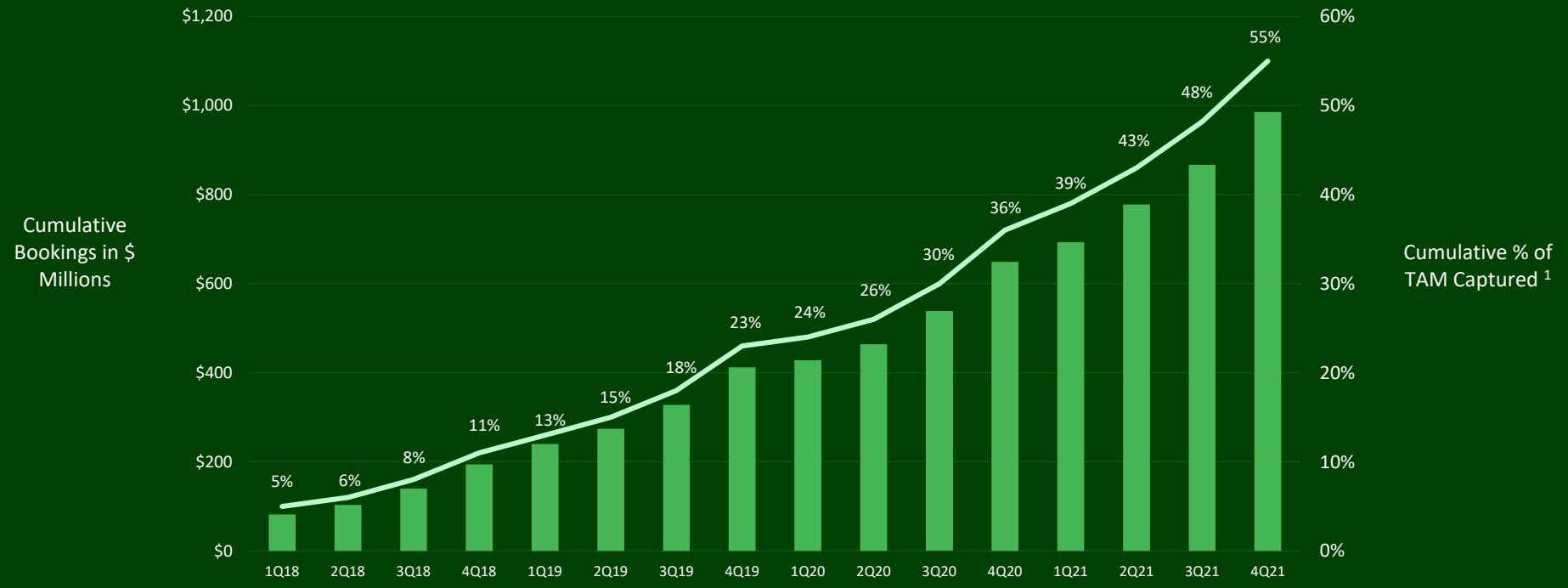
Strategic partner to health systems

Partnering for multiyear co-development plan to increase levels of automation in pharmacy

Driving KPIs and outcomes

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Point of Care (Only) Replacement Bookings



[1] As measured as a percentage of installed base as of December 2016.

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A Better Way

Omnicell's Strategic Approach to Corporate Responsibility



Innovation

Accelerating for Perfection

- Improve healthcare quality by helping customers reduce dispense errors by 5% annually by 2027
- Develop charitable product donation program 'Omnicell Cares' by 2027 to further equitable access to products and services through re-purposing use of end of life cycle products for disadvantaged economies by year 2024.
- Zero safety defects for all new products releases, YOY
- Develop plans for minimizing environmental footprint for 100% of new products by year 2023.



Environment

Innovating for Energy Efficiency

- Integrate Omnicell's sustainable procurement strategies across 100% of our Tier 1 High Risk suppliers by 2025.
- Conduct a Scope 1 & 2 climate risk assessment by 2025; Complete baseline assessment of Scope 3 emissions by 2025
- Reduce scope 1 & 2 emissions by 25% by 2027
- Establish Scope 3 reduction targets by 2030
- Implement prioritized waste mitigation opportunities in Omnicell's downstream distribution network (customers) by 2025



Social

Every Voice Counts

- Create avenues for employee involvement and impact through committees, ERG and EAC's, by 2025.
- Establish an inspiring, exciting and resonant employer brand (LinkedIn and Glassdoor), by 2025
- **Recruitment:** Extend reach of Employer brand by increasing followers on LinkedIn to 50,000 by 2025 (currently 27,800)
- **Retention:** Perform at or above the industry benchmark for Omnicell's business segment retention



Governance

Acting With Integrity

- Strong governance and risk management oversight at Board level
- Achieve an A-Grade level Security Scorecard Score by end of 2022 (as measured by securityscorecard.com) for our operations systems infrastructure
- Privacy and Cybersecurity By Design in all product and service offerings
- Employee Phishing attack testing failure rate to below 10% year over year

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Reconciliation of GAAP to Non-GAAP
(Unaudited, in thousands, except per share data and percentage)

	Year Ended December 31,	
	2021	2020
Reconciliation of GAAP revenues to non-GAAP revenues:		
GAAP revenues	$ 1,132,018	$ 892,208
Acquisition accounting impact related to deferred revenues	780	-
Non-GAAP revenues	$ 1,132,798	$ 892,208
Reconciliation of GAAP gross profit to non-GAAP gross profit:		
GAAP gross profit	$ 554,653	$ 413,292
GAAP gross margin	*49.0%*	*46.3%*
Share-based compensation expense	7,994	7,469
Amortization of acquired intangibles	11,438	9,001
Acquisition accounting impact related to deferred revenues	780	-
Severance-related expenses	389	2,564
Non-GAAP gross profit	$ 575,254	$ 432,326
Non-GAAP gross margin	*50.8%*	*48.5%*
Reconciliation of GAAP operating expenses to non-GAAP operating expenses:		
GAAP operating expenses	$ 465,146	$ 377,766
GAAP operating expenses % to total revenues	*41.1%*	*42.3%*
Share-based compensation expense	(45,166)	(37,228)
Amortization of acquired intangibles	(14,900)	(10,601)
Acquisition-related expenses	(11,150)	(5,603)
Severance-related and other expenses [(a)]	(2,932)	(9,385)
Non-GAAP operating expenses	$ 390,998	$ 314,949
Non-GAAP operating expenses as a % of total non-GAAP revenues	*34.5%*	*35.3%*
Reconciliation of GAAP income from operations to non-GAAP income from operations:		
GAAP income from operations	$ 89,507	$ 35,526
GAAP operating income % to total revenues	*7.9%*	*4.0%*
Share-based compensation expense	53,160	44,697
Amortization of acquired intangibles	26,338	19,602
Acquisition accounting impact related to deferred revenues	780	-
Acquisition-related expenses	11,150	5,603
Severance-related and other expenses [(a)]	3,321	11,949
Non-GAAP income from operations	$ 184,256	$ 117,377
Non-GAAP operating margin (non-GAAP operating income as a % of total non-GAAP revenues)	*16.3%*	*13.2%*

[(a)] For the year ended December 31, 2021, other expenses included approximately $1.3 million of certain litigation costs. For the year ended December 31, 2020, other expenses included approximately $1.0 million of IP and legal entities restructuring costs, and $1.0 million of certain litigation costs.

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

	Year Ended December 31,	
	2021	2020
Reconciliation of GAAP net income to non-GAAP net income:		
GAAP net income	$ 77,849	$ 32,194
Tax impact of IP restructuring	(6,202)	-
Share-based compensation expense	53,160	44,697
Amortization of acquired intangibles	26,338	19,602
Acquisition accounting impact related to deferred revenues	780	-
Acquisition-related expenses	11,150	5,603
Severance-related and other expenses [(a)]	3,321	11,949
Amortization of debt issuance costs	3,440	1,597
Amortization of discount on convertible senior notes	18,608	4,766
Tax effect of the adjustments above [(b)]	(13,360)	(9,139)
Non-GAAP net income	$ 175,084	$ 111,269
Reconciliation of GAAP net income per share - diluted to non-GAAP net income per share - diluted:		
Shares - diluted GAAP	47,943	43,743
Shares - diluted Non-GAAP [(c)]	45,899	43,743
GAAP net income per share - diluted	$ 1.62	$ 0.74
Tax impact of IP restructuring	(0.14)	-
Share-based compensation expense	1.16	1.01
Amortization of acquired intangibles	0.58	0.45
Acquisition accounting impact related to deferred revenues	0.02	-
Acquisition-related expenses	0.24	0.13
Severance-related and other expenses	0.07	0.27
Amortization of debt issuance costs	0.07	0.04
Amortization of discount on convertible senior notes	0.41	0.11
Non-GAAP dilutive shares impact from convertible note hedge transaction [(c)]	0.07	-
Tax effect of the adjustments above [(b)]	(0.29)	(0.21)
Non-GAAP net income per share - diluted	$ 3.81	$ 2.54
Reconciliation of GAAP net income to non-GAAP EBITDA [(d)]:		
GAAP net income	$ 77,849	$ 32,194
Share-based compensation expense	53,160	44,697
Interest (income) and expense, net	161	360
Depreciation and amortization expense	72,990	61,067
Acquisition accounting impact related to deferred revenues	780	-
Acquisition-related expenses	11,150	5,603
Severance-related and other expenses [(a)]	3,321	11,949
Amortization of debt issuance costs	3,440	1,597
Amortization of discount on convertible senior notes	18,608	4,766
Income tax benefit	(11,842)	(2,845)
Non-GAAP EBITDA	$ 229,617	$ 159,388
Non-GAAP EBITDA margin (non-GAAP EBITDA as a % of total non-GAAP revenues)	*20.3%*	*17.9%*

(a) For the year ended December 31, 2021, other expenses included approximately $1.3 million of certain litigation costs. For the year ended December 31, 2020, other expenses included approximately $1.0 million of IP and legal entities restructuring costs, and $1.0 million of certain litigation costs.

(b) Tax effects calculated for all adjustments except share-based compensation expense, using an estimated annual effective tax rate of 21% for both fiscal years 2021 and 2020.

(c) For the year ended December 31, 2021, non-GAAP diluted shares exclude approximately 2.0 million shares related to the impact of dilutive convertible senior notes for which the Company is economically hedged through its anti-dilutive convertible note hedge transaction.

(d) Defined as earnings before interest income and expense, taxes, depreciation, amortization, and share-based compensation, as well as excluding certain other non-GAAP adjustments.

Omnicell, Inc.
Reconciliation of GAAP to Non-GAAP
(Unaudited, in thousands)

	Year Ended December 31,	
	2021	**2020**
Reconciliation of GAAP net cash provided by operating activities to non-GAAP free cash flow:		
GAAP net cash provided by operating activities	$ 231,809	$ 185,870
Software development for external use	(29,368)	(32,024)
Purchases of property and equipment	(28,967)	(22,842)
Non-GAAP free cash flow	$ 173,474	$ 131,004

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