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MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by. At this time, I would like to welcome everyone to today's Omnicell Third Quarter 2025 Financial Results Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. [Operator Instructions] Thank you.

I would now like to turn the call over to Kathleen Nemeth, Senior Vice President, Investor Relations. Kathleen?

Kathleen Nemeth

Senior Vice President-Investor Relations, Omnicell, Inc.

Good morning, and welcome to the Omnicell third quarter 2025 financial results conference call. On the call with me today are Randall Lipps, Omnicell Chairman, President, CEO and Founder; and Baird Radford, Executive Vice President and Chief Financial Officer; as well as Nnamdi Njoku, Executive Vice President and Chief Operating Officer.

This call will contain forward-looking statements, including statements related to financial projections or performance, and market or company outlook based on current expectations. These forward-looking statements speak only as of today or the date specified on the call. Actual results and other events may differ materially from those contemplated due to numerous factors that involve substantial risks and uncertainties.

For more information, please refer to our press release issued today, Omnicell's Annual Report on Form 10-K filed with the SEC on February 27, 2025, and in other more recent reports filed with the SEC. Except as required by law, we do not assume any obligation to update any forward-looking statements.

During this call, we will discuss some non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most comparable GAAP financial measures are included in our financial results press releases. Our results were released this morning and our financial results press releases are posted in the Investor Relations section of our website at ir.omnicell.com.

With that, I will turn the call over to Randall. Randall?

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

Good morning, and welcome to Omnicell's third quarter 2025 earnings call. We are pleased to report another strong quarter, with total revenues, non-GAAP EBITDA and non-GAAP EPS, all exceeding the upper end of our previously issued guidance. We believe this robust performance reflects strength in our core point-of-care business and exceptional execution by the entire Omnicell team.

Continued demand for our flagship point-of-care connected devices, including XTEExtend, remained strong and drove our robust top line performance during the quarter. We are happy to see strong adoption of innovative solutions across inpatient and outpatient settings with recent wins at major health systems and government health care facilities. We believe that our transformation into an intelligence medication management technology company is progressing well, and we are encouraged by early positive customer feedback on our OmniSphere cloud-based platform.

Looking ahead, we remain focused on delivering innovative solutions globally that aim to continuously improve the customer experience and advance our customers closer to the industry-defined vision of the autonomous pharmacy. We believe that our commitment to operational excellence, customer-centric innovation and cybersecurity positions us to drive long-term value for all stakeholders.

As we have outlined previously, we expect our future growth to continue to be driven by three core pillars. First, expanding our market presence. We're actively working to grow our connected devices footprint across the inpatient and outpatient care environments, including nursing units, operating rooms, and a full spectrum of pharmacy settings. We find that recent customer wins and increased platform adoption underscore the strength of our solutions and the trust we're building across the health care continuum.

[ph] Secondly (00:04:41) scaling reoccurring revenue. We're also focused on expanding our base of predictable, reoccurring revenue through service contracts, software subscriptions, and cloud-based offerings, which is anticipated to give us greater visibility into our business and deliver long-term value to customers.

Lastly, accelerating our technology platform OmniSphere. OmniSphere is our cloud-native platform designed to unify all Omnicell products under a single secure infrastructure. It is purpose-built to enable enterprise-wide visibility into medication and supply inventory, and simplify access to automation and intelligence tools. As previously announced, OmniSphere achieved HITRUST CSF i1 certification, demonstrating our commitment to cybersecurity and adherence to high industry standards for data protection and medication management.

Before we begin reviewing our third quarter 2025 results, I'd like to take a moment to welcome Baird Radford to Omnicell as our new Executive Vice President and Chief Financial officer. Baird brings more than 30 years of experience in health care and technology finance leadership, and we are thrilled to have him join our executive team. His deep expertise in driving strategic growth and operational excellence will be instrumental as we continue to progress our transformation into an intelligent medication management technology company. We look

forward to Baird's leadership as we advance through innovation and executional rigor, and seek to further our mission to deliver value to our customers, partners and stockholders.

Turning to our third quarter 2025 financial results. Total revenue in the third quarter was \$311 million, representing an increase of \$28 million or approximately 10% compared to the third quarter of 2024, and an increase of \$20 million or approximately 7% compared to the previous quarter. Our third quarter 2025 earnings per share in accordance with GAAP were \$0.12 per share, compared to \$0.19 per share in the third quarter of 2024 and \$0.12 per share in the prior quarter. Our third quarter 2025 non-GAAP earnings per share were \$0.51, compared with \$0.56 per share in the same period last year and \$0.45 per share in the prior quarter. Finally, during the third quarter of 2025, we substantially completed the \$75 million stock repurchase program, which our board authorized earlier this year.

Despite a complex macroeconomic backdrop, we remain encouraged by the resilience and adaptability we are seeing in the hospital and health system markets. While inflation and regulatory uncertainties continue to influence capital spending decisions, we're seeing a steady and continued focus on strategic investments. Hospitals seem to be prioritizing technologies that deliver strong ROI and operational efficiency, areas where we believe our portfolio is well aligned.

On the policy front, although some uncertainties remain around federal funding, we're optimistic about the long-term commitment by hospitals and health systems to medication management infrastructure and innovation. Our technology and services solutions are designed to support hospitals in navigating these dynamics, and we're confident in our ability to grow through continued partnerships and value creation despite some of these industry headwinds.

As we continue to execute on our strategic transformation, we're seeing strong market validation of our product and services road map. Our customers are responding positively to the breadth and depth of our solutions, particularly as we expand our reach across the continuum of care. From the successful rollout of our XTExtend offering to the early customer experiences with our cloud-native OmniSphere platform, it's clear that our technology is resonating with health care providers who indicated they are seeking to enhance visibility, cybersecurity, efficiency and patient safety. These innovative solutions are not only driving demand, but also, we believe, reinforcing Omnicell's position as a trusted partner in the journey toward the autonomous pharmacy.

This was another strong quarter for our points of care solutions, including XT cabinets for nursing care areas, anesthesia workstations for perioperative settings and XTExtend. Leading health care providers across the US and Canada, including the Department of Veterans Affairs, are choosing Omnicell solutions to support their medication dispensing needs. One of the largest health systems in the Southern United States selected Omnicell's points of care solutions, along with our premier inventory optimization service intelligence offering and other central pharmacy solutions, in an effort to increase inventory visibility, improve insights, and optimize workflows across their Georgia-based network.

Our Specialty Pharmacy Services offering, which is designed to help health systems launch and scale specialty pharmacy and 340B programs, continues to gain traction in the market. A leading hospital on Oregon's Southern Coast has selected Omnicell to help its efforts to expand access to high acuity therapies across rural communities, aligning with the system's mission to deliver integrated community-based care. A not-for-profit health system in the Southeast United States is launching its first specialty pharmacy with support from Omnicell. This new program is intended to support multiple hospitals and closely align with the system's cancer center, expanding access to life-sustaining therapies while advancing integrated, locally delivered care.

As we look ahead, I'm energized by the momentum we're building through our commitment to innovation. As hospitals and health systems navigate a dynamic environment, Omnicell remains steadfast in our mission to be their most trusted partner, empowering them to achieve better outcomes, reduce costs, and alleviate staff burnout. I am confident that our focus on delivering value through innovation will continue to position us for success and support our customers as they shape the future of health care.

As a reminder, Omnicell will be attending the 2025 American Society of Hospital Pharmacists (sic) [American Society of Health-System Pharmacists] (00:17:07), ASHP, midyear meeting in Las Vegas from December 8 through the 10th, where we are very excited to be sharing some of our new innovations.

Now with that, I'd like to turn the call over to Baird. Baird?

Harlan Baird Radford

Chief Financial Officer & Executive Vice President, Omnicell, Inc.

Thank you, Randall, and good morning, everyone. I'm thrilled to be joining you today for my first earnings call at Omnicell, and pleased to report that we exceeded our outlook, delivering results above the upper end of our previously provided third quarter 2025 guidance.

Before I jump into the financials, I wanted to share a few thoughts and observations from my first couple months here at Omnicell. First, I have been truly inspired by the passion and dedication shown by our employees to deliver on Omnicell's mission to transform medication management through the delivery of innovative and reliable solutions for our customers. This customer focus positions us well to meet the rising expectations of the health systems we serve. Second, I'm excited about the market opportunity we see ahead of us in our connected device business, the cornerstone of our customer offering, and in our digital enablement road map that is focused on pairing our innovative hardware offerings with cutting-edge software solutions and services. Third, I believe our business model provides the opportunity for us to create sustainable top line revenue growth while also prioritizing investments in a manner that expands profitability.

Now moving to our third quarter 2025 results. Total revenue was \$311 million, representing an increase of \$28 million or approximately 10% from the third quarter of 2024, and an increase of \$20 million or approximately 7% compared to the previous quarter. Third quarter of 2025 product revenue was \$177 million, representing an increase of \$19 million compared to the third quarter of 2024 and an increase of \$14 million over the previous quarter.

Service revenue in the third quarter of 2025 was \$133 million, which increased \$9 million from the third quarter of 2024 and represented an increase of \$6 million over the previous quarter. Non-GAAP gross margin for the third quarter of 2025 was 44.2%, compared to the third quarter of 2024 of 44.5% and 44.7% in the prior quarter.

A full reconciliation of our GAAP to non-GAAP results is included in each of our second quarter 2025 and third quarter 2025 quarterly earnings press releases, which are posted on our Investor Relations website.

Our third quarter 2025 earnings per share in accordance with GAAP were \$0.12 per share, compared to \$0.19 per share in the third quarter of 2024 and \$0.12 per share in the prior quarter. Our third quarter 2025 non-GAAP earnings per share were \$0.51, compared with \$0.56 per share in the third quarter of 2024 and \$0.45 per share in the prior quarter. Third quarter 2025 non-GAAP EBITDA was \$41 million, compared with \$39 million in the third quarter of 2024 and \$38 million in the prior quarter.

Our cash and cash equivalents totaled \$180 million as of September 30, 2025, compared to \$399 million as of June 30, 2025. The decrease reflects the repayment of a principal amount of \$175 million of debt that matured in September 2025 and the repurchase of our common stock in the third quarter of 2025 of approximately \$62 million. The company continues to generate solid free cash flow, with third quarter 2025 free cash flow of \$14 million compared to third quarter 2024 of \$9 million and \$27 million in the prior quarter.

In terms of accounts receivable, days sales outstanding for the third quarter of 2025 were 74 days, which compares to 83 days in the third quarter of 2024 and 75 days in the prior quarter. Inventories as of September 30, 2025 were \$107 million, compared to \$95 million at September 30, 2024 and \$106 million at June 30, 2025.

Now I would like to walk through some of the key business drivers for the third quarter of 2025. Product revenues continue to be strong, with third quarter 2025 product revenues of \$177 million, up \$19 million compared to the third quarter of 2024 and up \$14 million compared to the prior quarter.

As I mentioned in my initial remarks, connected devices continue to be the cornerstone of our product offering, and our strong product revenue performance in the third quarter of 2025 was driven by strength in our point-of-care products, including XTEExtend. We also continue to see a positive impact from the process improvements we have put in place over the past two years. These improvements include scheduling and customer engagement throughout the sales and implementation process, which contributed to our overperformance in the quarter compared to our previously announced expectations.

Non-GAAP EBITDA in the third quarter of 2025 was \$41 million, up by \$2 million compared to the third quarter of 2024 and up by \$3 million compared to the prior quarter. Non-GAAP EPS in the third quarter of 2025 was \$0.51, which is down \$0.05 compared to the third quarter of 2024, but up \$0.06 compared to the prior quarter.

If you recall, during our second quarter 2025 earnings call, we noted that we expected to see some headwinds in the third quarter of 2025 from increased tariff expense and nonrecurring software upgrade costs in the field that are modestly impacting our non-GAAP EBITDA and non-GAAP earnings per share. During the quarter, we successfully mitigated some of the nonrecurring software upgrade costs that we had noted previously by leveraging existing resources and various process efficiencies.

Before we move to our guidance, I would like to provide an update on the tariff impact during the third quarter of 2025 and our current thoughts on tariffs for the remainder of 2025. In the third quarter of 2025, tariffs impacted profitability by approximately \$6 million, net of mitigation efforts. We expect a similar \$6 million net profitability impact in the fourth quarter of 2025. For full year 2025, the net tariff impact on profitability is projected to be approximately \$15 million, after reflecting benefits from our supply chain management and pricing mitigation efforts.

The supply chain team's efforts around tariff mitigation strategies have been impressive. They have worked with our contract manufacturers to move the sourcing of subassemblies and components to more favorable geographies, while continuing to strengthen our supply chain resilience and maintain high product quality standards for our customers. While these mitigation efforts take time to reflect in the financials, we anticipate these actions will have a beneficial impact throughout 2026. Therefore, at this time, we believe the full impact of tariffs in 2026 will be lower than the \$6 million per quarter run rate as we exit 2025.

Now turning to guidance. Please note that our fourth quarter and updated full-year 2025 guidance is based on our current estimate of the potential impact of tariffs as of today. We recognize that the situation is fluid and we are continuing to monitor the situation. Although there could be modest cash flow implications to the fourth quarter of

2025 from potential increases in tariff rates, we don't anticipate the potential changes to materially impact fourth quarter profitability. We will reflect potential near-term tariff changes, if any, in our 2026 guidance that we will provide in connection with the fourth quarter 2025 earnings call.

For the fourth quarter of 2025, we are providing the following outlook. We expect fourth quarter 2025 total revenues to be between \$306 million and \$316 million, with product revenues anticipated to be within \$175 million and \$180 million, and service revenues expected to be between \$131 million and \$136 million. As we have shared previously, we expect revenue to be more linear in 2025 as process improvements that we have established last year are currently driving more consistent scheduling and stronger operational execution. We expect fourth quarter 2025 non-GAAP EBITDA to be between \$37 million and \$43 million, and non-GAAP earnings per share to be between \$0.40 per share and \$0.50 per share.

For full-year 2025, we are maintaining our previously issued guidance ranges for product bookings and annual recurring revenue, and modestly raising the midpoint of our guidance ranges for total revenues, non-GAAP EBITDA and non-GAAP earnings per share. Consistent with our prior guidance, we continue to anticipate 2025 product bookings to be in the range of \$500 million to \$550 million and year-end 2025 ARR is expected to be in the range of \$610 million to \$630 million. For 2025 total revenues, we are raising and narrowing our guidance range. Total revenues for full year 2025 are now expected to be in the range of \$1.177 billion to \$1.187 billion, as compared to our prior expectation of \$1.13 billion to \$1.16 billion.

With product revenues, we saw a stronger third quarter of 2025 than previously guided on the strength of scheduling and customer engagement levels. Combined with the momentum that we are carrying into the fourth quarter of 2025, product revenues for full-year 2025 are now expected to be in the range of \$661 million to \$666 million, compared to our prior expectations of \$625 million to \$640 million.

Within service revenue, we have seen stronger performance within technical services revenues. Accordingly, we have increased the midpoint for technical services revenue guidance from \$248 million to \$260 million for full-year 2025. However, our SaaS and Expert Services revenue growth has been slower than expected, particularly within our EnlivenHealth business, as that business faces headwinds in the retail pharmacy space. As a result, we have modestly lowered the midpoint for our SaaS and Expert Services revenue guidance for the full-year 2025 from \$265 million to \$259 million.

Non-GAAP EBITDA for the full year 2025 is now expected to be in the range of \$140 million to \$146 million, compared to our previous range of \$130 million to \$145 million. Finally, full-year 2025 non-GAAP earnings per share are expected to be in the range of \$1.63 to \$1.73 versus our prior expectation of \$1.40 to \$1.65. The increase of our profit metrics at their respective midpoints represent the expected benefit from higher revenue levels, partially offset by investments in customer experience enhancements and innovation. For full-year 2025, we are assuming an effective blended tax rate of approximately 18% in our non-GAAP earnings per share guidance.

As we wrap up, I would like to extend my deep appreciation to the entire Omnicell team for their warm welcome and also for their incredible efforts in delivering a very strong third quarter of 2025. Their resilience and dedication have laid a solid foundation for continued success throughout 2025 and into the future.

We would now like to open the call for questions. Operator?

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] All right. Looks like our first question today comes from the line of Jessica Tassan with Piper Sandler. Jessica, please go ahead.

Jessica E. Tassan

Analyst, Piper Sandler & Co.

Q

Hi, guys. Thanks for taking the question. So I guess, the most important one for me is just, Baird, it's awesome to hear you emphasizing the hardware as being kind of central to the Omnicell platform. I'm interested to know, are you guys engaging with start-up companies and doing diligence to figure out how to implement like humanoid robots in the pharmacy or how to develop more sophisticated robotics? And if so, does that potentially expand your reach into retail pharmacies or ambulatory settings? Like, just how should we be thinking about investments in hardware and specifically in robotics over the next, call it – whether inorganic or organic over the next couple of years? And then I have just one on some 4Q detail.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Well, yeah, absolutely, I mean, it's all about AI and robotics. And if you look at Perry Genova, who we just hired as our new technical leader, has an extensive robotic background for that reason. So I think that it's key that we use robotics and deploy robotics to capture the information and detailed visibility of where meds are so that we can apply the power of intelligence across those to optimize and deliver outcomes for everyone. So, that's absolutely.

And I'm sorry, Jessica, what was the other question?

Jessica E. Tassan

Analyst, Piper Sandler & Co.

Q

Yeah. I guess, just one quick follow-up. So, is there any thought being given to potentially making a smaller version of the central dispensing robot, just so that it's easier for customers to purchase both from like a physical capacity and then also obviously a budget perspective?

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. I think we're looking at a lot of different dynamics there, not only just size, but speed and types of robots. So I would say that there are a lot of different options on that plate that we are deploying, as well as just adding robotics to some of our current products that are more manual-intensive today.

Jessica E. Tassan

Analyst, Piper Sandler & Co.

Q

Got it. Last one is just I think there's some investor confusion just around OmniSphere. Can you clarify, if an ADC does not run on OmniSphere today, what is it running on? And is Omnicell penetrated today across the ADC installed base or is it a large incremental revenue opportunity akin to XTEExtend? Thanks, guys.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. OmniSphere does run on our current products, so you can connect the OmniSphere to our Color Touch product. But long term, they'll be integrated to another platform, a clean sheet platform. So there's an easy path from OmniSphere to getting all of our products connected onto the platform.

Kathleen Nemeth

Senior Vice President-Investor Relations, Omnicell, Inc.

A

Yeah. I would say – Randy, I would add that OmniSphere is still in limited customer release. There are some customers that are running it. Their current – most of the current customers are on OmniCenter and eventually they'll migrate over to OmniSphere. That's the long-term vision for that part of our innovation road map.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. We have early adopters running on it today, and it's been running for several years actually, we've been working on it. So it's a mature product.

Kathleen Nemeth

Senior Vice President-Investor Relations, Omnicell, Inc.

A

Okay. Thanks, Jess, for all three of your questions. Next question, please.

Operator: Yes. Our next question is – or I should say comes from the line of Matt Hewitt with Craig-Hallum Capital Group. Matt, please go ahead.

Matthew Gregory Hewitt

Analyst, Craig-Hallum Capital Group LLC

Q

Good morning, and congratulations on the strong quarter. Maybe I wanted to touch on the IV opportunity. You called out the Ballard Health or the Ballard Health win. And I'm just curious, as customers are looking to integrate your solutions, are they looking to add the IV at each facility or are they looking at more of a hub-and-spoke type model? I'm just trying to gauge how they're seeing this impacting their business and where it can go from there. Thank you.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Thank you, Matthew, for that question. Let me maybe provide just a broad perspective about how we're thinking about IV, and I'll hit your question directly. So we see a great opportunity in the IV space, with customers just taking control over their IV supply chain. And to really unlock that opportunity, we're looking at different ways of doing that, everything from semiautomatic to fully automatic solutions. And we have a number of programs out there right now with our workflow product and analytics.

With respect to IV robot that you're asking about, it kind of depends on the size and the footprint of the health system. Typically, our implementation takes into account just what the goals of that health system, what they want to achieve from a throughput and a volume standpoint. And that dictates how many robots actually go into implementation. So, that's typically how we approach that.

Matthew Gregory Hewitt

Analyst, Craig-Hallum Capital Group LLC

Q

That's great. Thank you.

Kathleen Nemeth

Senior Vice President-Investor Relations, Omnicell, Inc.

A

Thanks, Matt.

Operator: Thank you. And our next question comes from the line of Stan Berenshteyn with Wells Fargo. Stan, please go ahead.

Stan Berenshteyn

Analyst, Wells Fargo Securities LLC

Q

Hi. Good morning. Thanks for taking the questions. First, on bookings guidance, you reiterated your guidance. I'm curious, as we sit here in the fourth quarter, is the composition of the products within your bookings in any way different than what you had anticipated at the start of the year? And can you also comment on whether you've seen any changes in your sales cycle?

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

So, thanks for the question, Stan. From the bookings perspective, I think it's important to recognize that we exited Q3 with good momentum. Our engagement with our pipeline continues to be strong, and we continue to see them looking primarily at our point-of-care products. And we have not seen a change in the mix within those offerings.

Stan Berenshteyn

Analyst, Wells Fargo Securities LLC

Q

Okay. And maybe just one quick one on the compounding robot. I think previously, Randy, you've said you're at the tail end of making upgrades here. It's potentially coming out of limited release. Can you give us an update on that? And then what do you anticipate happens once you're out of limited release? Are you changing your go-to-market strategy there? How should we think about that? Thank you.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. Well, I think it's – we're still in limited release, and we don't have any precise date for when we're coming out of that limited release state. We want to get it right. And it's a product that is complex and is FDA-regulated. So we have to be very careful how we approach that. On our semiautomated platform, it is doing really well and picking up. And we feel like that continues to answer a lot of the open issues in the market that needs a solution.

Operator: All right. Thanks for your question, Stan. And our next question comes from the line of David Larsen with BTIG. David, please go ahead.

David Larsen

Analyst, BTIG LLC

Q

Hi. Congratulations on the good beat and raise. Randy, can you maybe talk a little bit about the buying environment? We're kind of – I'm kind of hearing mixed things from different companies that sell into the hospital sector. Some are saying there's the risk of a slowdown with the Big Beautiful Bill Act because of Medicaid and exchange, enrollment headwinds that might happen. Others are saying there's not really any drag at all. What are you seeing and what are your discussions like with your clients? It looks like things are going pretty well.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. I think things in general have been improving. I think it's really hospital system-specific. If you have a lot of government pay or a higher percentage of government pay than the average, you're going to have more headwinds.

I think the most interesting thing is that really there's a big refresh cycle that's approaching. And all the hospitals are preparing for this refresh cycle because we see a lot of the old first-generation systems or recent generation systems in the marketplace sunsetting, that are not our systems but our competitors'. So with that refresh cycle comes people who are aware that they need to prepare for purchasing more tech in the pharmacy space.

And with our first wave of refresh cycle coming up, it is an opportunity for us to really approach the marketplace with all of our new innovative platforms, particularly around our OmniSphere and an intelligence platform where people really want an enterprise solution that's unique. So, really, really excited about this changing mindset due to the timing in the market and our ability to have these deeper conversations, both with our customers and those who are not our customers.

David Larsen

Analyst, BTIG LLC

Q

That's great. And then I'm hearing a lot about GLP-1s. Every time I look up, somebody's mentioning it. Can your compounding product help hospital systems create a compounded GLP-1 solution for their patients, or is that not an area you're sort of in?

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Well, we've looked at that area and we haven't found the best way to use our technology there to formally create a program or create a program for the hospitals. But we're still looking at it. And I think it's – we're wondering if it's going to change with the oral solids coming out and what impact that would have on the IV compounding approach.

Operator: All right. Thanks for the question, David. And our next question comes from the line of Bill Sutherland with The Benchmark Company. Bill, please go ahead.

Bill Sutherland

Analyst, The Benchmark Company

Q

Thank you. Good morning, everyone. Baird, you called out the headwinds that are slowing the Enliven product. Any other industry headwinds in particular that you guys are watching most closely as far as could impact as you go into 2026?

Harlan Baird Radford

Chief Financial Officer & Executive Vice President, Omnicell, Inc.

A

The short answer is we're not seeing anything at this time. We are definitely focused and staying very close on the point-of-care business to those customer negotiations and monitoring the flow-through of backlog, as well as negotiations of the pipeline for bookings to come. So those are the places where we stay very focused. But at this point, we're seeing consistency with the last several quarters.

Bill Sutherland

Analyst, The Benchmark Company

Q

Okay. And then while I've got you, always curious about capital deployment as you look into this quarter.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. Thanks for the question, Bill. As we highlighted during Q3, we completed the remaining \$62 million of our \$75 million share repurchase program. This helped us reduce our outstanding share count over the course of the [ph] FAP (00:39:47) program by 5%.

As we look forward, I think it's important to keep a couple things in mind. I'm working with the team to get up to speed on our potential options and trade-offs as it relates to investing in, first, organic growth, as well as potentially acquisitions and/or share repurchases. Still relatively new to the company in two months, so there are no actions currently planned. But I definitely want to reiterate for this group that we're committed to being prudent and disciplined in making these decisions into the future.

Operator: All right. Thanks, Bill. And our next question comes from the line of Scott Schoenhaus with KeyBanc Capital Markets. Scott, please go ahead.

Scott Schoenhaus

Analyst, KeyBanc Capital Markets, Inc.

Q

Thanks, team. Congrats on the strong quarter. And welcome, Baird. So I guess, a lot of my questions have been answered. But I guess, my question will be on 340B. Randall, your commentary seemed a little bit more positive this quarter versus previous quarters. Anything to draw there? What the customer behavior is changing there? Is it anything to do with the regulatory side from the [ph] HIC (00:40:59) subsidies?

And then how do you adapt your platform or your selling season this year around the regulatory? Is there maybe positives that you can sort of adapt your conversations with your clients, such as 340B? Thanks.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. Well, thanks, Scott. Appreciate the comment and questions. Yeah. I think we've really matured over the last year, particularly this year. We're seeing more crossover sales from our regular sales force with our 340B team acting as a good go-to market. So we're seeing over half of our new customers and pipeline coming from current Omnicell customers. And this is a really positive indicator. This is where we want to get the synergies.

And as we kind of change our go-to market, added in some sales force strength, we're seeing good results from that. And we are picking up the pace there as we sign these new contracts, which will eventually come out in increased ARR. We think it's a positive business. We haven't seen anything to really slow it down, even though there's a lot of chatter about some of the specialty drugs being – costs being reduced. there's still enough activity there that it makes it worthwhile for these hospitals to pursue a specialty pharmacy and to operate – make it easy for them to operate it by using our services.

Operator: All right. Thank you for the question, Scott. And our next question comes from the line of Eugene Mannheimer with Freedom Capital Markets. Eugene, please go ahead.

Eugene Mark Mannheimer

Analyst, Freedom Capital Markets

Q

Thanks for taking the question. Congrats on the great numbers. And welcome, Baird. I just really had one. I mean, you had a very strong quarter. So you cited strength in your point-of-care business. I'm just wondering, like, how much of that outperformance was due to net new wins versus expansions within the base versus, say, maybe you're seeing some tail end of the XT upgrade cycle? Just trying to understand some of the dynamics within that. Thank you.

Harlan Baird Radford

Chief Financial Officer & Executive Vice President, Omnicell, Inc.

A

Yeah. I think we saw relative consistency there. There were wins. There were expansions within existing customers. And I can't really pin it on anything specific. It was just really good, solid execution by the team across the offerings.

Eugene Mark Mannheimer

Analyst, Freedom Capital Markets

Q

Makes sense. Where are we in that XT upgrade? Is it 90% of the way done at this point?

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

No, we're – for the cohort we have, and it's very early on, right, because just started last April, so.

Kathleen Nemeth

Senior Vice President-Investor Relations, Omnicell, Inc.

A

No, the full XT, not the Extend.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Oh, I'm sorry.

Kathleen Nemeth

Senior Vice President-Investor Relations, Omnicell, Inc.

A

Gene was asking about, yeah. The [ph] full XT (00:44:06). And so from a bookings perspective, Bill, we're well along the completion of the upgrade cycle. Obviously, from a revenue perspective, we've got bookings in backlog, which we expect to continue to ship throughout the next several quarters. From an Extend perspective, as Randy said, we're still fairly early in that from that perspective.

Eugene Mark Mannheimer

Analyst, Freedom Capital Markets

Q

Sure. Makes sense. Okay. Thank you.

Operator: Thank you, Gene. And our next question comes from the line of Allen Lutz with Bank of America. Allen, please go ahead.

Allen Lutz

Analyst, BofA Securities, Inc.

Q

Good morning, and thanks for taking the questions. Randy, you mentioned the sunsetting of a competitor's system may be presenting a unique opportunity for Omnicell to take some share. Can you talk about how big that opportunity is? Can you talk maybe a little bit about the historical switching rate between you and one of your major competitors?

And then as you go to market trying to convince some of those prospects to switch, what is sort of the pitch? And can you talk overall about your expectations as it relates to what, if any, of that is embedded in guidance for the rest of the year? Thanks.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

Yeah. Thanks for the question, Allen. Yeah, it's a significant sized market, right? It's \$8 billion to \$10 billion market. And the opportunity for us to switch is about moving from sort of unique product to a platform. And this is the centerpiece of our approach is the enterprise offering that we have with OmniSphere, which really sits the central piece that allows you to connect all of the current technology, all the new technology, all the smaller technology to a central platform to collect the data and integrate into the operation of these very, very large institutions.

It really allows you not to have additional servers or the cloud just expands for as you need more space. And so it provides the flexibility that you need to give these institutions. As they move more patients to outpatient or change their cadre of hospitals around to different sets as they acquire or get rid of those, it's the flexibility they need to do that. And because they want the outcomes, and the outcomes depend on collecting the data and storing it and using it in an intelligent way. And then approaching the autonomous pharmacy, you need to have all the data to do that in order to actually let the system start to make high-level decisions for you.

And we – historically, we've grown this company by taking market share. I think, through the pandemic, things were muted. And coming out of the pandemic, things were muted because of people didn't want to have the people to do the switching. I think that's now – that's changed now. Hospitals are much more stable. Their employee base is stable, and they want to spend strategic capital.

So I think we'll get our fair hearing in these accounts and it's a unique opportunity. And we have been leading the innovation. We absolutely believe we have the best product in the marketplace by far. And we're going to get more than our fair share, we have and we will.

Allen Lutz

Analyst, BofA Securities, Inc.

Q

Thanks, Randy.

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

A

You bet.

Operator: Thank you, Allen. And it looks like there are no further questions at this time. So I will now turn the call back over to Randall for closing comments. Randall?

Randall A. Lipps

Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.

Well, thank you everybody for joining. It is a unique time in the industry and we're really excited about it. I hope that some of you will be able to meet us at ASHP and see some of the new innovations we're bringing to the marketplace. It's an exciting time to be in our market. We've been preparing for these upcoming years, and I think we've done a good job, and move forward and get back to some solid growth. Thanks for joining. Cheers.

Operator: And again, ladies and gentlemen, that does conclude today's call. You may now disconnect. Have a great day, everyone.

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