

28-Apr-2026

Omnicell, Inc. (OMCL)

Q1 2026 Earnings Call

CORPORATE PARTICIPANTS

Harlan Baird Radford

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

Nnamdi Njoku

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

Randall A. Lipps

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

OTHER PARTICIPANTS

Stan Berenshteyn

Analyst, Wells Fargo Securities LLC

Bill Sutherland

Analyst, StoneX Company

Jessica E. Tassan

Analyst, Piper Sandler & Co.

Scott Schoenhaus

Analyst, KeyBanc Capital Markets, Inc.

David Larsen

Analyst, BTIG LLC

Matthew Gregory Hewitt

Analyst, Craig-Hallum Capital Group LLC

Allen Lutz

Analyst, BofA Securities, Inc.

Gene Mannheimer

Analyst, Freedom Capital Markets

MANAGEMENT DISCUSSION SECTION

Operator: Thank you for standing by. My name is Tina and I will be your conference operator today. At this time, I would like to welcome everyone to the Omnicell first quarter 2026 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] It is now my pleasure to turn the call over to Baird Radford, Executive Vice President and chief financial Officer. You may begin.

Harlan Baird Radford

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

Good morning and welcome to the Omnicell first quarter 2026 financial results conference call. On the call for Omnicell today are Randall Lipps, Omnicell Chairman, President, CEO, and Founder; Nnamdi Njoku, Executive Vice President and Chief Operating Officer; and myself, Baird Radford, Executive Vice President and Chief Financial 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 26, 2026, 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 today's call, we will

discuss some non-GAAP financial measures. Full reconciliations of these non-GAAP measures to the most comparable GAAP financial measures are included in each of our fourth quarter 2025 and first quarter 2026 financial results press releases.

Our results were released this morning and our financial results press releases, including these reconciliations, are posted on our Investor Relations section of our website at ir.omnicell.com. For our call this morning, Randall will begin with an overview of our first quarter 2026 performance and strategic priorities. I will then review our quarterly financial results and our updated outlook for 2026. We will then open the call for questions. With that, I turn the call over to Randall. Randall?

Randall A. Lipps

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

Thank you. Good morning, everyone. We started 2026 with solid execution in the first quarter, delivering results at the high end or above our previously issued Q1 2026 guidance ranges across all key metrics, which we believe reinforces the durability of our business model. Total revenue for the quarter was \$310 million, non-GAAP EBITDA was \$45 million, and non-GAAP earnings per share was \$0.55. We believe these results reflect the continued momentum across our core businesses, disciplined cost management, and our ability to execute as we continue to advance toward our goal of achieving the vision of autonomous medication management.

We continue to see constructive demand environment, including meaningful competitive conversion opportunities. Health systems appear to be increasingly reassessing incumbent solutions that may have struggled to deliver consistent reliability, scalable service, and enterprise-wide interoperability. As customers prioritize these key factors along with efficiencies from improving medication workflows, particularly in environments facing ongoing staffing and cost pressures, we believe Omnicell is well positioned to serve as a long-term platform partner.

As a reminder, our strategy is anchored in driving autonomous medication management as we seek to deliver improved outcomes across the patient care journey. We are operationalizing our strategy through the three tightly connected priorities. First, expanding our market presence across inpatient and outpatient pharmacies and patient care settings. Second, scaling predictable recurring revenue. And third, advancing OmniSphere, our cloud-native medication management platform. These three core priorities reinforce one another.

Expanding our footprint and increasing interoperability across care settings is anticipated to increase the scale and breadth of the medication workflows we support, which should provide a broader foundation for enterprise-wide automation and standardization. Increasing recurring revenue will give us the visibility and confidence to invest intentionally, improving products and accelerating innovation with AI. Execution on this priority is evident through our growing specialty and consumables business.

Finally, OmniSphere is the unifying layer that is meant to bring our enterprise offerings together, connecting devices, data, and workflows on a single secure platform. The OmniSphere platform is designed to shift medication management from reactive manual processes toward guided and increasingly autonomous workflows. We believe OmniSphere will enable our customers to unlock clinical capacity, enhance safety and compliance, and drive more predictable operational and financial outcomes.

We're seeing this play out in recent customer decisions as large and complex healthcare organizations increasingly select Omnicell to support medication management holistically. For example, healthcare providers within the U.S. Department of Veterans Affairs continued to expand their use of Omnicell solutions as they seek to support more standardized, streamlined medication workflows across their organizations. These deployments span central pharmacy and point of care solutions, IV workflow, and inventory optimization services, reflecting

what we believe is a system-level focus on reliability, efficiency, and enterprise visibility across the patient care journey.

Similarly, a major academic medical center in New York recently chose to expand its Omnicell footprint across multiple facilities, extending our central pharmacy and our point of care solutions as they strive to enhance safety, improve operational consistency, and support enterprise-wide standardization. A Rhode Island-based health system selected our central pharmacy dispensing services as it sought to support safety and efficiency in pharmacy operations as part of a broader effort to modernize and standardize medication management across the system.

As these enterprise relationships deepen and broaden, we're seeing a national expansion of recurring revenue streams tied to the installed base, which should improve our financial visibility and support continued investment in engineering and advanced analytics to deliver the value-added products and solutions that address customer pain points. We're also seeing strong engagement across outpatient and specialty pharmacy settings.

A health system in southern Missouri recently partnered with Omnicell Specialty Pharmacy Services as it worked to enhance clinical outcomes and improve the patient experience while supporting the growth of its Specialty Pharmacy program. We find this engagement reflects the same enterprise mindset. Customers leverage Omnicell not for technology but for the services and expertise that they're intended to extend medication management beyond the acute care settings and create more predictable recurring value over time.

We're grateful for the trust our customers are placing in us to solve their critical medication management challenges. For those new to the Omnicell story or taking a renewed interest in our product offerings, we formally introduced Omnicell Titan XT, our next-generation automated dispensing system at ASHP late last year. Titan XT is designed to combine proven and reliable automation with enterprise-level data and workflows and is built on our HITRUST-certified cloud platform, OmniSphere. Together, this offering is intended to deliver enterprise-wide visibility, guided workflows, and a modern infrastructure developed to support large complex health systems.

Importantly, Titan XT represents a meaningful step as we advance toward autonomous medication management and is the first step on the journey to connect every patient care area and pharmacy location with OmniSphere. Since introducing Omnicell Titan XT, we've been encouraged by customer engagement and feedback. Customers are responding positively to potential opportunities for meaningful workflow efficiency improvements, including reductions in manual cart filling activity, improved visibility into inventory expirations, and time savings across nursing and pharmacy operations.

Additionally, customers are embracing the backward and forward compatibility planned to be offered by Titan XT and OmniSphere, as it enables them to plan and execute a migration to our next-generation platform at a pace that works for them. As we've noted previously, health systems capital approval cycles remain multi-quarter to multi-year activities. Announcing Titan XT in late 2025 was intentional, giving customers time to incorporate the new platform into their long-term planning. Our expectations around installed base refresh pacing are unchanged. We anticipate modest incremental Titan XT revenue in 2026 with initial hardware shipments planned to begin in the second half of the year followed by a phased rollout of OmniSphere functionality in the first half of 2027.

More broadly, customers are moving towards platform partners who can help them transform medication management end to end. The focus is on integrated standardized workflows across the full medication cycle to improve safety, efficiency, and cost. We believe this shift plays directly to our strengths and supports deeper long-term partnerships.

In summary, we began 2026 with solid execution, disciplined financial performance, and a clearly defined platform roadmap. While we remain mindful of evolving macro environment uncertainty and capital spending dynamics, we are confident in the durability of our business model and the long-term opportunity ahead to modernize medication management.

Well, with that, I'll turn it over to Baird to walk through our first quarter financial results and outlook. Baird?

Harlan Baird Radford

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

Thank you, Randall. We started 2026 with focused execution in the first quarter, delivering results at the high end or above our first quarter guidance, reinforcing our confidence in our business model as we have kicked off the transition from XT to Titan XT and OmniSphere. We believe performance in the quarter reflects solid execution across our portfolio coupled with strong cost management and some expense shifting into the second and third quarters.

Total revenue for the first quarter was \$310 million, representing 15% year-over-year growth and finishing at the upper end of our previously provided guidance range. This year-over-year growth was primarily driven by steady execution within our points of care connected devices revenues as well as continued growth in our recurring revenue streams. As a reminder, we are expecting revenue to be more linear in absolute dollars rather than year-over-year percentage growth rates as we progress through this year. Product revenue was \$175 million, up 20% year-over-year. This growth was driven by the strength in our connected devices portfolio in both North America and international markets.

Service revenue was \$135 million, increasing 8% year-over-year with growth driven again by strong performance from our Specialty Pharmacy Services. From a profitability standpoint, for the first quarter of 2026, GAAP earnings per share was \$0.25 compared to a loss of \$0.15 per share in the first quarter of 2025. Non-GAAP earnings per share in the first quarter of 2026 was \$0.55 compared to \$0.26 in the prior year period. Non-GAAP EBITDA for the first quarter 2026 totaled \$45 million compared with \$24 million a year ago. Our strong profitability performance in the first quarter reflects disciplined cost management and improved operating leverage.

For the first quarter of 2026, non-GAAP gross margin was approximately 46% compared to 42% in the first quarter of 2025 and 44% for fiscal year 2025, driven primarily by favorable mix and execution improvements across both product and services. As a reminder, we performed a software upgrade at customer sites that provided a headwind to the first quarter of 2025 and full year 2025 gross margins.

Turning to the balance sheet, cash and cash equivalents totaled \$239 million as of March 31, 2026 compared to \$387 million a year ago. The year-over-year change primarily reflects the repayment of \$175 million of principal amount of debt that matured in September 2025 as well as the repurchase of approximately \$78 million of common stock during 2025. Free cash flow was \$39 million in the first quarter of 2026 compared with \$10 million in the prior period and \$18 million in the fourth quarter of 2025.

Before turning to guidance, I'd like to briefly connect our first quarter performance to the broader operating context for 2026. We exited 2025 with a healthy backlog and improved revenue linearity driven by enhanced customer scheduling and coordination. These same dynamics supported our first quarter 2026 results and are anticipated to continue to provide greater predictability as we move through 2026. We also exited 2025 with strong competitive pipeline activity and we remain positive about our competitive positioning exiting the first quarter.

The introduction of Omnicell Titan XT and the OmniSphere platform has increasingly shifted customer conversations towards enterprise-wide standardization and longer-term platform planning. While we think this reinforces the long-term opportunity ahead, it also reflects the multi-quarter to multi-year nature of health system capital approval cycles, which is an important consideration as investors think about pacing in 2026. Since the introduction of Omnicell Titan XT, we've had constructive conversations with many customers around Titan XT and OmniSphere.

Early feedback from customers that have experienced demonstrations of our new Titan XT and OmniSphere software and workflows has been very positive. Customers are highlighting the dynamic restock capabilities with guided workflows that are designed to simplify pharmacy technician tasks and reduce time spent on cabinet restocking. Customers are also noting that streamlined medication retrieval workflows for nurses will likely reduce the time the nurse spends looking for patient meds. That should free up more time for care at the bedside. During the first quarter of 2026, we booked our initial Titan XT orders consistent with our expectations.

Turning now to our outlook for the second quarter of 2026 and fiscal year 2026. For the second quarter of 2026, we expect total revenue to be in the range of \$307 million to \$313 million. Within that total, product revenue is expected to be between \$174 million and \$177 million and service revenue is expected to be between \$133 million and \$136 million. We expect second quarter 2026 non-GAAP EBITDA to be between \$37 million and \$42 million and non-GAAP earnings per share to be in the range of \$0.40 to \$0.48. This outlook reflects continued execution across the business, typical seasonal patterns within services, and our expectation that the increased revenue linearity we saw in late 2025 continues through 2026.

For the full year 2026, we are maintaining our previously provided guidance for product bookings, ARR, and total revenue while increasing our guidance ranges for non-GAAP EBITDA and non-GAAP earnings per share. For full year 2026 we anticipate product bookings in the range of \$510 million to \$560 million. Given the timing of our Titan XT announcement and our customers' multi-quarter to multi-year capital approval cycles, we continue to anticipate that the full year 2026 product bookings will be weighted toward the back half of this year.

Total revenues are expected to be \$1.215 billion to \$1.255 billion with product revenue between \$690 million and \$710 million and service revenue between \$525 million and \$545 million. Year-end 2026 annual recurring revenue or ARR is expected to be between \$680 million to \$700 million. Non-GAAP EBITDA is now expected to be between \$153 million and \$168 million compared to previous guidance of \$145 million to \$160 million. Non-GAAP earnings per share are now expected to be between \$1.80 and \$2.00 compared to \$1.65 to \$1.85 previously. This guidance includes our updated estimate of approximately \$12 million of tariff-related costs impacting the P&L in 2026. As a reminder, tariffs remain fluid and we continue to closely monitor developments.

Our guidance also assumes an estimated non-GAAP effective tax rate of approximately 15%. Before concluding, I'd like to provide additional context around several assumptions underlying our full year 2026 outlook. As Randall outlined, our 2026 product bookings outlook reflects where we are in the XT lifecycle. As we discussed at the time of the Omnicell Titan XT and OmniSphere announcement last December, 2026 marks the 10th year of use for the earliest XT cabinets which were first shipped in 2017. While we believe the potential benefits of Titan XT provide a significant long-term replacement opportunity, health system capital budget approval cycles typically span multiple quarters to multiple years. Launching Titan XT in late 2025 was intentional, allowing customers sufficient time to incorporate our new offering into their planning cycles. We continue to estimate the total replacement cycle opportunity to be in excess of \$2.5 billion.

That said, it is important to remind investors that the XT installed base today is younger than our G-Series installed base was at the time of the XT launch, which may create near-term pacing considerations. This dynamic

may be offset in part or whole by the expanding value of the nursing and pharmacy technician workflows, supply chain management, and data analytic capabilities that we are building into OmniSphere. These collective factors are reflected in our 2026 product bookings guidance as we shared previously. We also expect revenue linearity to remain in place throughout 2026, which is anticipated to result in a quarterly revenue profile that is more muted in terms of quarter-over-quarter dollar movements than experienced in historical patterns from prior years.

From a cost structure perspective, our full year 2026 guidance reflects a continued focus on balancing long-term value creation with profitability. At the midpoint of our full year 2026 guidance ranges, non-GAAP EBITDA is expected to expand by more than twice the rate of revenue growth while continuing to fund innovation, development, and customer experience initiatives.

In closing, we are pleased with our start to 2026 with disciplined execution and a clearly defined platform roadmap anchored by Titan XT and OmniSphere. We believe Omnicell is well positioned to drive sustainable, profitable growth in 2026 and beyond. With that, we'll now open the call for questions. Operator?

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from the line of Stan Berenshteyn with Wells Fargo. Please go ahead.

Stan Berenshteyn

Analyst, Wells Fargo Securities LLC

Q

Hi, good morning and thanks for taking my questions. I wanted to get an update on the retail segment. Was wondering if you can offer us some color as to EnlivenHealth. How's that progressing? Do you continue to see headwinds related to the footprint within the retail pharmacy segment? Thank you.

Nnamdi Njoku

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

A

Hi Stan. This is Nnamdi here, thanks for the question. So just to give you a sense of what's happening there, our team just returned from one of the major conferences, NACDS, and what I will say is the mood in the room there was really with the major players looking forward. There's been a lot of challenging things that have happened in that space in the last couple years but it seemed like there was some sense of stability and looking forward now. It doesn't mean that those challenges are getting muted but what they are reporting back is that those key players are looking forward. And the volumes there continued to increase. It seemed like the tone in the room was really about how to deliver on those growing demands at the lowest cost and that's where we see EnlivenHealth solutions really playing a role there, in the omnichannel communication, patient engagement solutions.

So we're really just focused on engaging our customers in a way that is delivering value for them to meet that growing demand but also continue to drive cost down with regards to how they serve their customers. So what I will say in summary is, it's been a challenging time in the retail segment. I think that challenging sort of dynamic continues to play out but there's been some sense of kind of looking forward with regards to just trying to figure out how to meet the growing demand that's out there. And we're just focused on just partnering with them to be able to deliver on that.

Stan Berenshteyn

Analyst, Wells Fargo Securities LLC

I appreciate it. Thank you.

Q

Operator: The next question comes from the line of Jessica Tassan with Piper Sandler. Please go ahead.

Jessica E. Tassan

Analyst, Piper Sandler & Co.

Hi. Congrats on the great results and thanks for taking the question. Do you guys just mind kind of articulating the sources of gross margin upside on the product side in 1Q and on the services side and the extent to which you expect those sources of gross margin upside or the gross margin upside to be durable versus kind of transitory? Thank you.

Q

Harlan Baird Radford

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

Hey, thanks. Thanks for the question, Jess. In terms of gross margins, we did see 46% total non-GAAP gross margin in the first quarter. It compares to 42% a year ago in the first quarter and 44% for last year. A couple things contributed to that. First on the product side, we saw a favorability in the product and customer mix in our connected devices. And on the service side, we lapped the investments that we were making during the course of 2025 in field-based software upgrades at our customer. So those two factors are contributing to that performance. What I would say is that margins will continue to fluctuate from period to period. And last quarter in the fourth quarter, we maybe were a little bit at a lower end. This feels like we're maybe a little bit at the upper end in the near-term cycle. So don't want to call this the new ceiling or new floor. But I think we'll continue to see small fluctuations from period to period based on that mix.

A

Operator: Your next question comes from the line of David Larsen with BTIG. Please go ahead.

David Larsen

Analyst, BTIG LLC

Can you size the Titan deal and also talk about the acute care environment and the impact of the Big Beautiful Bill Act (sic) [One Big Beautiful Bill Act] (00:30:09) on [indiscernible] (00:30:10-00:30:15)?

Q

Nnamdi Njoku

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

Awesome. Thanks. Thanks, David. You were a little faint on that, but it sounded like the Titan environment and the market conditions around the acute care environment.

A

David, so what I would say to start out is it's a great time to be in medication management. As you know, the two main players there have rolled out new offerings and customers are reassessing their incumbent solutions. As we also look out there, technology is advancing and really giving us the chance to deliver on consistent reliability, scalable service, enterprise visibility. So, it's pretty favorable out there in terms of being in this space today.

So, following our December announcement, we've been out there engaging customers. It's been very favorable. We continue to build our pipeline. I'll point to a couple of things that we're hearing from our customers as we have those conversations. The things that are really landing well have to do with looking at sort of system-wide visibility. So when you think about these complex health systems, the ability to centrally manage things like user

management and devices across the health system in a standardized way is resonating as we have those conversations.

The other thing that we're also seeing out there is the ability to sort of have a migration flexibility is also giving us the chance to really engage health systems as they expand, particularly those health systems that have a newer fleet. So the ability to have a mixed fleet environment and manage that migration is going really well.

And then we've also talked about the workflow benefits with guided workflows and some of the things that we're really trying to address around operational variability and in an environment with labor constraints as well, that's really landing well with those guided workflow conversations.

So in a nutshell, it's a positive response we're feeling out there. We're investing in our commercial go-to-market approach, making sure we have the demo equipment out there to give customers a chance to really experience the solution that we're rolling out. So we're very encouraged by the discussions that we're having and we just continue to engage customers in that dialogue and build the pipeline.

Operator: Next question comes from the line of Allen Lutz with Bank of America. Please go ahead.

Allen Lutz

Analyst, BofA Securities, Inc.

Q

Good morning and thanks for taking the question. Rand, a follow up on the product bookings. The guidance there was unchanged, but I wanted to look a little bit underneath the hood. I think you said the installed base refresh assumptions are unchanged. As you think about your customers and your prospects, as they think about going for XTEExtend versus Titan XT, are you seeing any increase in cancellations for XTEExtend and maybe more customers looking toward Titan XT? Would love to get a sense if anything within there is different than your expectations a quarter ago. And then, as it relates to the product bookings guide or conversations with customers, really, has anything changed over the past three months? Thanks.

Randall A. Lipps

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

A

That's absolutely a great question because it has changed because now there's more optionality for customers. And I think customers who may have been just leaning into an XTEExtend to upgrade their current systems are now saying, well, maybe I should use Titan XT and how do I feather that in with it coming out, the hardware coming out at the second half of this year, the software coming out the next part of – first part of next year. And so those conversations have people re-evaluating their configurations and their strategies to acquire the equipment. And I think you're right, probably less people are less interested in the XTEExtend package and more interested in how to deploy and when to deploy the Titan XT.

So it's definitely making the conversations and the size of the deals, upsizing the size of deals. Now, that of course involves some people having to go back to capital committees and get more monies and re-juggle that a little bit, but it's all really positive. And people know that when you deploy technology, you want to deploy it once for a long time. So particularly these healthcare systems would rather wait and get the best result than do it twice in five years or something like that. So we kind of knew that would happen.

Operator: The next question comes from the line of Bill Sutherland with StoneX. Please go ahead.

Bill Sutherland

Analyst, StoneX Company

Q

Thank you. Hey, good morning everybody. I was curious as particularly as these deals that you're in discussion about get larger, what – Baird, you talked about the likelihood that you'd start to look into leasing and so forth, some kind of financing opportunities in certain situations. I'm wondering how that's progressing for you guys.

Harlan Baird Radford

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

A

Yeah, we continue to find that it's an important offering for us to provide to customers. There are customers that are trying to line up their cash flows in line with their operating revenues. There's others that are looking at it through a capital purchase lens. And so continuing to offer both has been helpful and constructive in conversations. And I think it's leading to what we believe is a really nice pipeline of activity, both existing customers and competitive opportunities. And so having that in our portfolio has been quite useful.

Bill Sutherland

Analyst, StoneX Company

Q

Got it. Thank you.

Operator: Your next question comes from the line of Scott Schoenhaus with KeyBanc. Please go ahead.

Scott Schoenhaus

Analyst, KeyBanc Capital Markets, Inc.

Q

Hey team, nice quarter. Thanks for taking my question. I guess a follow-up there. You just mentioned the pipeline in your prepared remarks, the strength of your pipeline, but you mentioned the competitive conversions here. You talked about the workflow enhancements and the technology. I think that's better than your competitor out there. Your competitor also has a Class 2 FDA recall in the market. Maybe just talk about what's embedded in your bookings guidance on a competitive conversion side and where you see this going over the next 12 months because there seems to be a clear opportunity here in the marketplace that you haven't had in the last replacement cycle that could be significant. Thank you.

Harlan Baird Radford

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

A

Yeah, thanks for the question, Scott. Yeah, we definitely are excited about the moment that's present. Having a new product in the market space is one thing, but also knowing that there's a large group of opportunities out there where customers, ours and our competitors' customers, will have to make decisions about their path forward. As we think about the assumptions that were based into the bookings, it's important to remember that we've been taking share over an extended period of time. And what that may do is vary a little bit from year to year but over time we've consistently been able to increase our market share. So, we've built that assumption into our guidance. And what you see is a modest increase year-over-year and competitive wins assumed in our guidance.

Operator: Our next question comes from the line of Matt Hewitt with Craig-Hallum. Please go ahead.

Matthew Gregory Hewitt

Analyst, Craig-Hallum Capital Group LLC

Q

Good morning and congratulations on the strong start to the year. I guess sticking along the competitive conversion commentary, obviously market share you guys are growing it there. But I'm just curious, are you seeing an increase in demand from these new customers to sole source, meaning we would expect over the course of this year into next year the number of sole-sourced hospitals or systems has increased because of some of these competitive dynamics? Thanks.

Nnamdi Njoku

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

A

Matt, thanks for the question. I would say, as just reflecting on the engagement that we're seeing out there, I don't know that we're seeing a material shift in the volume of sole source agreements. If you recall, most of the ways that we engage with our customers here, we tend to get into those types of arrangements with them, particularly these large customers. So, I don't know that there's a material shift on that front. But we are pretty encouraged with just the volume of activity we're seeing out there. And as we start to progress some of these to the contracting stage, perhaps we'll see something out there. But at this point in time, I'm not sure that there's a signal there I can point to that's a material change.

Harlan Baird Radford

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

A

Yeah, Matt, the only thing I'd add on to that is that, for our customers, the importance to them of having a reliable cabinet is something that they really enjoy about working with Omnicell. And when we think about the innovation culture at the company that does play into the continued dialogue with customers about how we are helping meet their evolving challenges in the pharmacy. And so as a thought partner and as an innovation partner, those are two things that really end up in these conversations pretty heavily and although not changing, definitely worth mentioning.

[indiscernible] (00:40:26)

Randall A. Lipps

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

A

Yeah, let me add one comment to that. I do think there's a bigger portion of our bookings coming from competitive conversions as we move into the future. And some of those deals may be sole source. Usually a big provider does look at doing sole source. But it's just where we are in the dynamic of some of these very large whales. How long it takes to get those contracts in place, I think is what Nnamdi made in his comment. But I think for sure, we're in a fantastic market with a lot of competitive activity. I mean, we just the other day had to double or maybe even more, triple the amount of demo equipment out there just because there's such so much demand for people to see the new product.

Matthew Gregory Hewitt

Analyst, Craig-Hallum Capital Group LLC

Q

That's encouraging. Thank you.

Operator: And our final question comes from the line of Gene Mannheimer with Freedom Capital Markets. Please go ahead.

Gene Mannheimer

Analyst, Freedom Capital Markets

Q

Thanks. Good morning. Congrats on the good quarter and outlook. Your initial fiscal 2026 EBITDA guidance that you provided back in February was a little bit muted as I think about that. And I think you cited some planned investments. It appears that some of those shifted out of the quarter, Baird, and maybe you can elaborate a little bit on what those are and when we might expect to see it land. Thank you.

Harlan Baird Radford*Chief Financial Officer & Executive Vice President, Omnicell, Inc.*

A

Yeah, thanks for your question, Gene. Yeah, as I – as a follow-up to Jess's question about gross margins, we did land at 46% in the quarter. It's a little higher than we've seen over the course of the last several quarters. So, maybe a little bit higher than normal. In terms of shifting out of cost, we had some places where we had the flexibility to keep the operating activities on track, not put us behind, but to shift a little bit of money out into Q2 and Q3. So, I would expect to see some operating expense increases as we move into those periods.

But I think the most important part is that we've really focused internally on the spend discipline and trying to reach the right balance between the long-term growth needed and profitability in the business. And in the first quarter we did see early signs of those initiatives starting to take traction. And what you see is us gathering and putting some of that additional belief into the remainder of the year. So, overall, I think it's a positive quarter and it's a positive outlook as we move forward. And that's what we reflected in the guidance update.

Gene Mannheimer*Analyst, Freedom Capital Markets*

Q

Got you. Thank you.

Harlan Baird Radford*Chief Financial Officer & Executive Vice President, Omnicell, Inc.*

A

Thanks, Gene.

Operator: With no further questions in queue, I will now hand the call back over to Randall Lipps for closing remarks.

Randall A. Lipps*Chairman, President, Chief Executive Officer & Founder, Omnicell, Inc.*

Well, thanks for joining us today. We're really excited about where we are and just this point in the history of medication management, just the wide availability in the market to make some serious changes. And we're excited about the innovations we're bringing. Our platform that's empowered by AI, our enterprise agents, and new robotics and world models, all these things are helping to drive us toward the autonomous pharmacy in an accelerated fashion which, as you all know, has been at the tip of our tongue for quite a while.

So, we're starting to see that coming into view. It's exciting customers and it's even exciting, of course, to our employees who are the best automation team in healthcare. So, we appreciate you guys. So, thanks for joining us today and we'll see you soon. Cheers.

Operator: Thank you again for joining us today. This does conclude today's conference call. You may now disconnect.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.