



Omnicell, Inc. Investor Presentation

February 2017



Safe Harbor Statement

This presentation contains certain “forward-looking” statements. These statements are based on the current estimates and assumptions of the management of Omnicell, Inc. (or “Omnicell” or “the Company”) as of the date of this presentation and are naturally subject to uncertainty and changes in circumstances. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Actual results may vary materially from the expectations contained herein. When used herein, the words “may”, “will”, “should”, “could”, “would”, “plan”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “potential” and “expect” and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements are subject to risks, uncertainties, assumptions and other factors that may cause the actual results of Omnicell to be materially different from those reflected in such forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, those set forth under the headings “Note Regarding Forward-Looking Statements”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the form 10K filed February 26, 2016. Except to the extent required by applicable securities laws, Omnicell is not under any obligation to (and expressly disclaims any such obligation to) update its forward-looking statements, whether as a result of new information, future events, or otherwise. All statements contained in this presentation are made only as of the date of this presentation.

Use of Non-GAAP Financial Measures

In our earnings releases, conference calls, slide presentations, or webcasts, we may use or discuss non-GAAP financial measures as defined by Regulation G. The GAAP financial measure most directly comparable to each non-GAAP financial measure used or discussed, and a reconciliation of the differences between each non-GAAP financial measure and the comparable GAAP financial measure, is available within our public filings with the Securities and Exchange Commission, available on the Investors section of our website at <http://www.omnicell.com>.



Corporate Profile

- Founded in 1992 by Randall Lipps
- IPO in 2001
- 2,444 employees
- 12 successful acquisitions
- Headquartered in Mountain View, CA
- Financial Snapshot
 - 2016 Revenue (GAAP / Non-GAAP): \$703M / \$693M
 - 2016 Op. Income (GAAP / Non-GAAP): \$6M / \$82M
- Over 4,000 healthcare facilities worldwide
- Over 32,000 institutional and retail pharmacy customers

Location	MFG	R&D	Service	Sales & Training
California	x	x		x
Florida	x	x		
North Carolina		x	x	x
Illinois			x	
Pennsylvania	x	x	x	x
Germany	x	x	x	x
UK			x	x
China				x
UAE				x
Italy	x	x		
France				x

We see **the future of health** every day.



Omnicell[®]
Inspired by Care™

Omnicell[®]
Inspired by Care™

Mission: Changing the
practice of healthcare to
improve provider and patient
outcomes

Omnicell[®]



Omnicell Growth Strategy

Differentiated Products

- 11 consecutive years of KLAS Awards
- Innovative XT Series
- Performance Center

New Markets

- IV Solutions
- Retail pharmacy software solutions
- International markets

Growth via Acquisitions

- Aesynt acquisition (January 2016)
- Ateb acquisition (December 2016)



Healthcare Trends & Omnicell Solutions Are Strongly Aligned

Healthcare Trend	Healthcare Enterprise Need	Omnicell Solution Strength
Providers evolving into enterprises	Integrated & automated systems	Leading interoperability and automation
Health systems consolidation	Scalable systems	Leading scalability and implementation practices
Pharmacies becoming more strategic	Strategic solutions managing complexity	Broadest & leading solutions set
Double digit medication cost increases	Medication cost reduction	Performance Center enterprise solution
Increased penalty environment	Increase in patient medication adherence	Leading med. adherence software and packaging



	Centralized Pharmacy	Decentralized Pharmacy	Enterprise Software Solutions	Medication Adherence	Retail Pharmacy ²
	 ROBOT-Rx  MedCarousel  i.v.STATION  i.v.SOFT  Workflow RX Inventory Management Software	 XT Series Medication & Supply Dispensing Cabinets  Central RX  XT Anesthesia Workstation  XT AcuDose	 Unity Platform  Omniceil Analytics  Inventory Automated Decision Support  Enterprise Medication Manager	 SureMed Adherence Packaging  Guided Packing  Suite of Automation Packaging Solutions	 Omniceil Robotic Dispensing Systems  SureMed Adherence Packaging  Medisafe Adherence Monitoring  Pharmacy-based patient care software
Annual TAM U.S.	\$0.8B	\$1.5-\$2.0B	\$0.3B ³	\$0.8-\$1.1B	\$0.8-\$1.3B
Annual TAM OUS ¹	\$0.4B	\$1.0B		\$0.8-\$1.1B	\$1.1-\$1.6B
Market Position U.S.	1	2	1	1	1
Market Position OUS ¹	1	2		1	1 Multi Med, 3 RDS

REAL TIME PERFORMANCE CENTER™ ON CLOUD

¹ OUS markets referenced above include Western Europe, China and the Middle East

² Market defined as Single and Multidose blister cards and equipment, pharmacy-based patient care software, and robotic dispensing systems

³ TAM only includes Performance Center™ market. TAM Revenue for other Software products is included in Centralized and Decentralized Pharmacy TAM



Automation and Analytics Solutions



When will getting the right medication
to the right patient get easier?

Now.

Introducing the Omnicell® XT Series Automated Dispensing System



*Multi Billion \$ Revenue
Opportunity for this product
revenue cycle*

Omnicell®
Inspired by Care™

Omnicell®



Managing Meds Just Got Easier with XT



50%
MORE CAPACITY³

30%
FEWER MISSED MEDS⁵

ONE
ENTERPRISE SOLUTION

Unity Platform Enables Cadence of Innovation

A More Efficient Workflow

Optimize inventory, minimize stockouts, and reduce missing doses – giving pharmacy and nursing more time to focus on clinical activities.

- Enhanced automated single-dose dispensing eliminates narcotic counts
- Brighter Guiding Lights quickly direct users to selected medications
- Remote medication management cuts time at the cabinet by 33%⁴

A Safer Approach

Minimize risks caused by drug diversion and medication errors, enhancing patient safety and protecting your facility's reputation.

- Variety of metal locking lid drawers accommodates all dosage forms and patient-specific meds
- Integrated Medication Label Printer enhances safety
- Identify potential diversion sooner with Omnicell Analytics

Greater Flexibility

With a wide range of configurations for acute and post-acute care settings, the XT system can easily expand and scale as your health system grows

- Adopt XT at your own pace with virtually unlimited scalability and backward compatibility
- Modern Starbus electronics architecture supports wireless accessories and future innovations
- Easily swap shelves to drawers or to the Controlled Substance Dispenser on-site



Performance Center

Omnicell Performance Center offers the only available combination of **expert services and real-time software solutions**, designed to drive improved performance for enterprise pharmacy operations

SERVICES



Gain proactive data monitoring



Establish recommended goals



Track customized scorecard progress

SOFTWARE

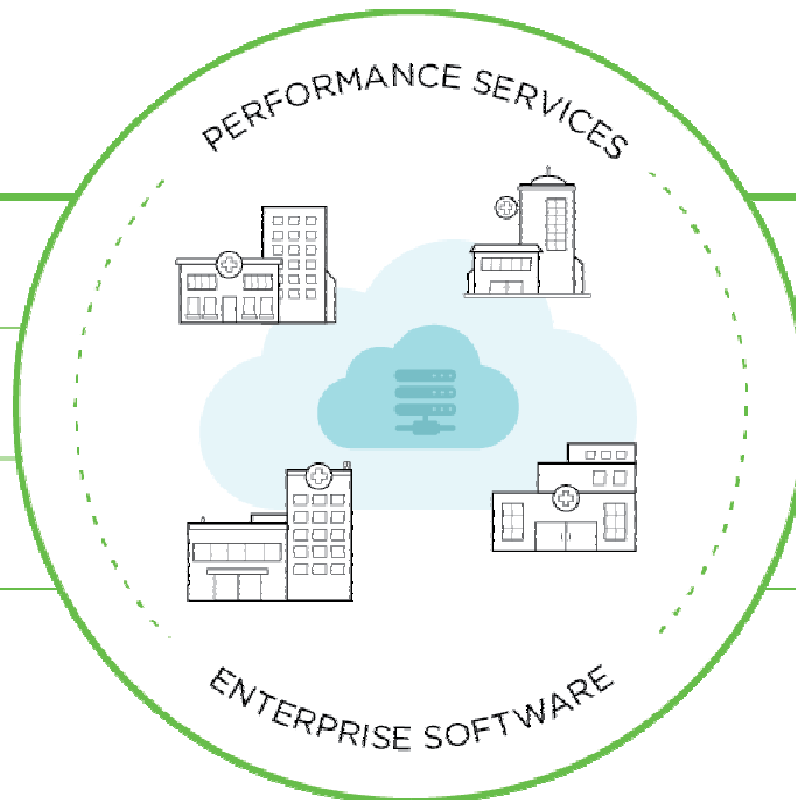
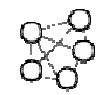
Find medications enterprise-wide



Receive optimization insights



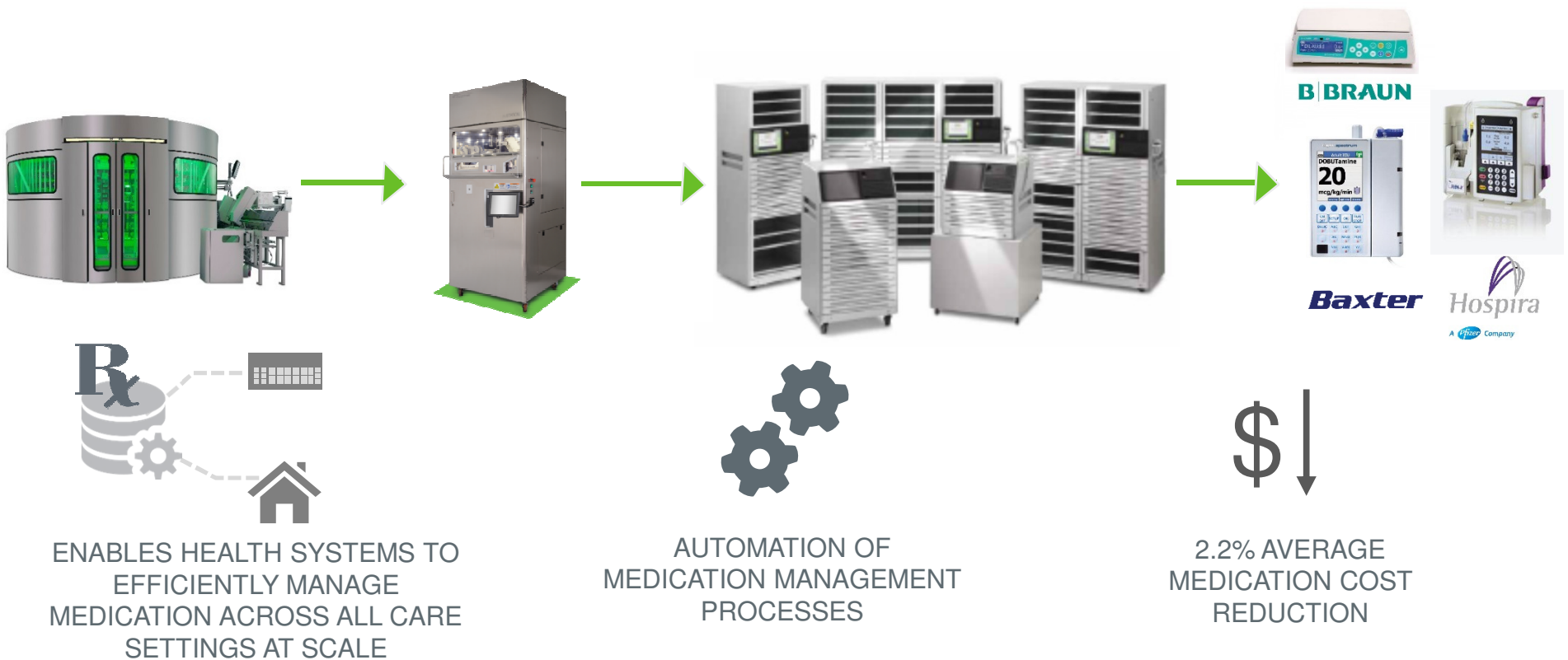
Centralize your pharmacy services





Omnicell & Performance Center integrate data, analytics, and workflows to deliver actionable solutions for better patient and business outcomes

WORKFLOW AUTOMATION THAT WORKS FOR YOU



REAL TIME PERFORMANCE CENTER™ ON CLOUD



Omniceil XT Series Automated Dispensing



Ensures Safer, More Accurate Management

- New Controlled Substance Dispenser eliminates narcotic counts
- Locked metal drawers and analytics prevent drug diversion
- Unity: Single formulary and IT infrastructure
- 6x brighter, 5x quieter

Improves Financial Performance

- 50% more capacity to efficiently optimize inventory
- New smart drawer designs minimize stock outs and reduce missing doses
- Forward and backward compatible to extend value of investment

Delivers Medication Accountability

- Microsoft Win 10 BitLocker Drive encryption
- Starbus architecture enables Bluetooth technology and future expansion
- Closed-Loop Dose Accountability reduces risk and saves time
- Annual software upgrades enhance workflow and regulatory compliance



Automation and Analytics

Key Features of Automated Dispensing in Patient Areas

- Unity platform single formulary and IT Infrastructure
- Improved Guiding Lights workflow
- SinglePointe™ eliminates missing doses
- Anywhere RN™ allows mgmt from any workstation
- Robust reporting and analytics
- Integrated medication labeling
- New smart drawer designs
- Wide range of security configurations
- Controlled Substance Dispenser single-dose dispensing
- Regular software enhancements backwards compatible
- Barcode SafetyStock® features at multiple levels
- Fingerprint bioID login
- Advanced integration with all Electronic Healthcare Records (EHR) systems
- Starbus electronic topology and vSuite™ remote monitoring
- Microsoft® Windows® 10 IoT Enterprise LTSC with BitLocker Drive Encryption
- Omnicell Cloud Connect





Automation and Analytics

Medication Control Solutions for International Pharmacies

Omniceil Robotic Dispensing Systems automate handling of medications in original manufacturer's packages for hospitals and retail pharmacies outside the US

**Reduction of
Defect Level**



Increase of Output



**24/7 Operation without
Additional Staff**



Cost Reduction



IV Solutions that FIT

Fit your space, Fit your budget, Fit your patient safety goals

i.v.SOFT® *integrated software portfolio*



i.v.STATION™

non-hazardous compounding



i.v.STATION ONCO™

hazardous compounding



i.v.SOFT® Assist

semi-automated workflow

Only full line of integrated automated and semi-automated IV compounding solutions

i.v.Station™, i.v.Station ONCO™, and i.v.SOFT® Assist are manufactured by Health Robotics, S.r.l.



IV Solutions

Meeting the Clinical Needs of Sterile Compounding



i.v.STATION™

- Prepares and dispenses ready-to-administer, non-hazardous admixtures
- Advanced technology addresses the highest-risk aspects of the pharmacy through an automated process that's safer and more accurate than manual compounding



i.v.STATION ONCO™

- Specifically designed to meet the unique challenges surrounding oncology care and other toxic, patient-specific preparations
- Improves safety for the patient and the operator, enhancing efficiency in overall pharmacy operations



i.v.SOFT® Assist

- A compact solution to support manual preparation in side LAFW or isolators providing many of the safety benefits of IV automation
- Scalable to support multiple products and locations

IV automation suite providing effective therapy focused on compliance, safety and efficiency



Recent Acquisitions

Mach4 Pharma Systems

- Automation for international pharmacies
- Acquired April 2015



Avantec Ltd.

- UK exclusive distributor of Omnicell
- One face to the UK customer
- Acquired April 2015



Aesynt

- Leading central pharmacy automation provider
- Leading IV Robotics solutions
- Acquired January 2016

Ateb

- Leading pharmacy software solutions provider
- Acquired December 2016





Highest Scoring Pharmacy Automation Vendor

*KLAS Awards 11 Consecutive Years**



Best in KLAS Award - Automated Dispensing Cabinets: OmniRx 2010 – 2016

KLAS Category Leader

Automated Dispensing Cabinets

OmniRx®
2006 – 2009**

KLAS Category Leader

Pharmacy Automation: Medication Carousels

WorkflowRx™ Carousel
2010 – 2016

KLAS Category Leader

Pharmacy Automation: Robots (Oral Solid)

ROBOT-Rx®
2014-2016

*2016 Best in KLAS: Medical Equipment KLAS Enterprises, LLC. All rights reserved. www.KLASresearch.com

**This category discontinued in 2012 and was combined with the Best in KLAS Automated Dispensing Cabinets category.



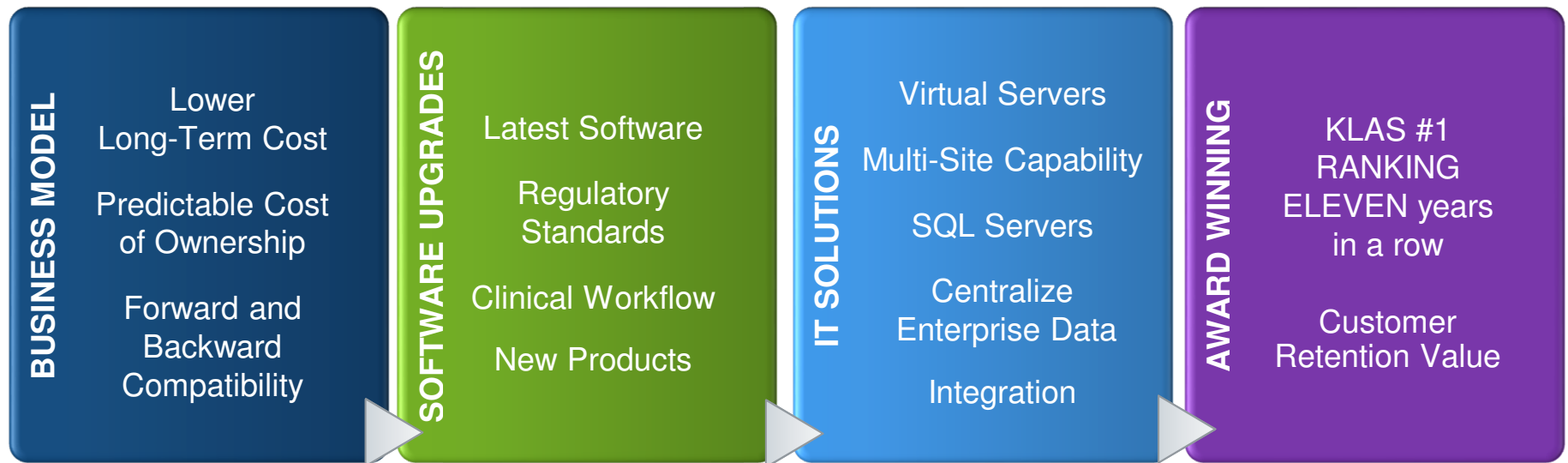
18 of Top 20 Honor Roll Hospitals Choose Omnicell



Source: [U.S. News & World Report Best Hospitals](#), August 2016



Why Customers Change to Omnicell





Medication Adherence Solutions





The Med Adherence Ecosystem

The Appointment Based Model (ABM) is expected to be used for over 60% of all medication dispensed at retail pharmacies by 2021*





Med Adherence Solutions Are Sold to Institutional Pharmacies Moving Toward Retail and Health Systems

CORE MARKET

Long-Term Care Pharmacies Service:



GROWING MARKET

Retail Pharmacies Service:



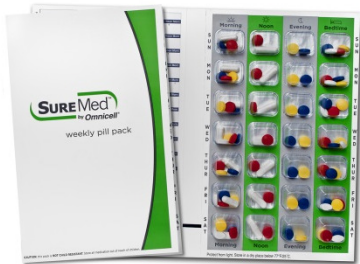


Breadth of Solutions



Single-Medication Blister Card

- Provides caregivers control over meds and easy recognition if a dose has been administered



Multi-Medication Blister Card

- Provides patients and caregivers a tool to assure medications are administered at the right time and dose
- Improves outcomes and prevents medical condition reoccurrences



Packaging automation

- Automates institutional pharmacy processes
- Varying levels of automation from semi-automated to fully automatic
- OnDemand® solutions interface with pharmacy IS



Printing & Labeling Solutions

- Allows pharmacies to easily label and bar code medication packaging for safety and accuracy
- Automated solutions help improve pharmacy workflow



Strategic Med Control Market Synergies

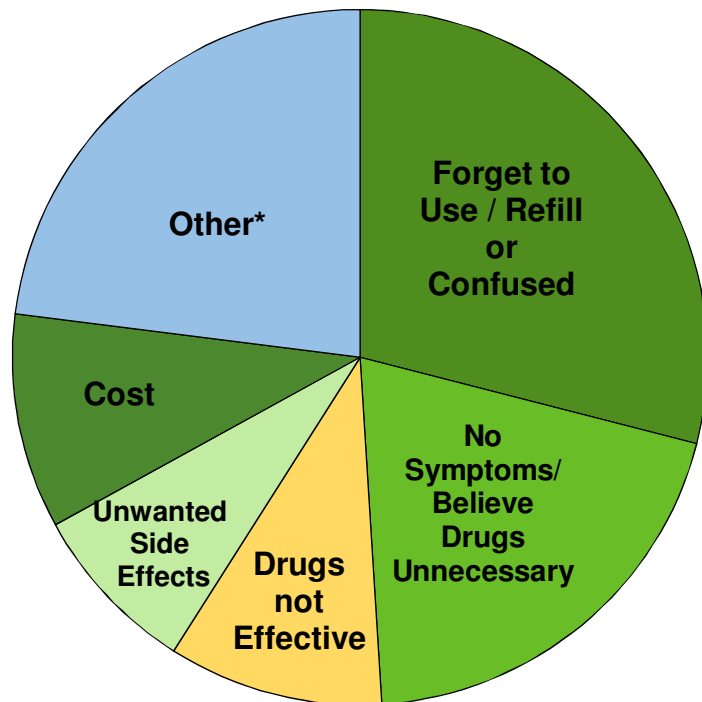
- Adherence packaging has potential to reduce hospital readmissions and improve patient health
 - Medication Non-Adherence causes over 50% of hospital readmissions
- Adherence packaging strongest outside US
 - MTS and Surgichem acquisitions provided market leading position
- ADCs in non-acute settings for first dose and narcotic control
- Medication control across the continuum of care
 - Electronic feed to Electronic Health Record
 - Advanced software for adherence control and analytics





MTM and Packaging can Benefit ~32 Million Americans Taking Five or More Medications

Coordinated program of medication therapy management (MTM) and adherence packaging can address many drivers of non-adherence.



Causes of Non-Adherence

Multi-Med Adherence Packaging



Medication Therapy Management

- Medication review
- Personal medication record
- Medication-related action plan
- Intervention, referral, documentation and follow-up
- Reduces hospital readmissions

*Other reasons include difficulty swallowing, bad taste, drugs prevented activities, difficulty getting prescriptions filled.

Source: Harris Interactive Patient Survey, 2005, CDC/NCHS, National Health and Nutrition Examination Survey 2011.



Omnicell Supplies Major Medication Adherence Customers

(Partial List of Customers)

- Omnicare
- PharMerica
- Healthmark
- Diamond Healthcare Corporation
- Allcare Medical
- Thrifty White Drug Store
- Publix
- Lloyd's Pharmacy (UK)
- Boots Pharmacy (UK)
- PCT Healthcare Limited (UK)
- Safeway (Canada)
- Save-On (Canada)
- Medissimo (France)

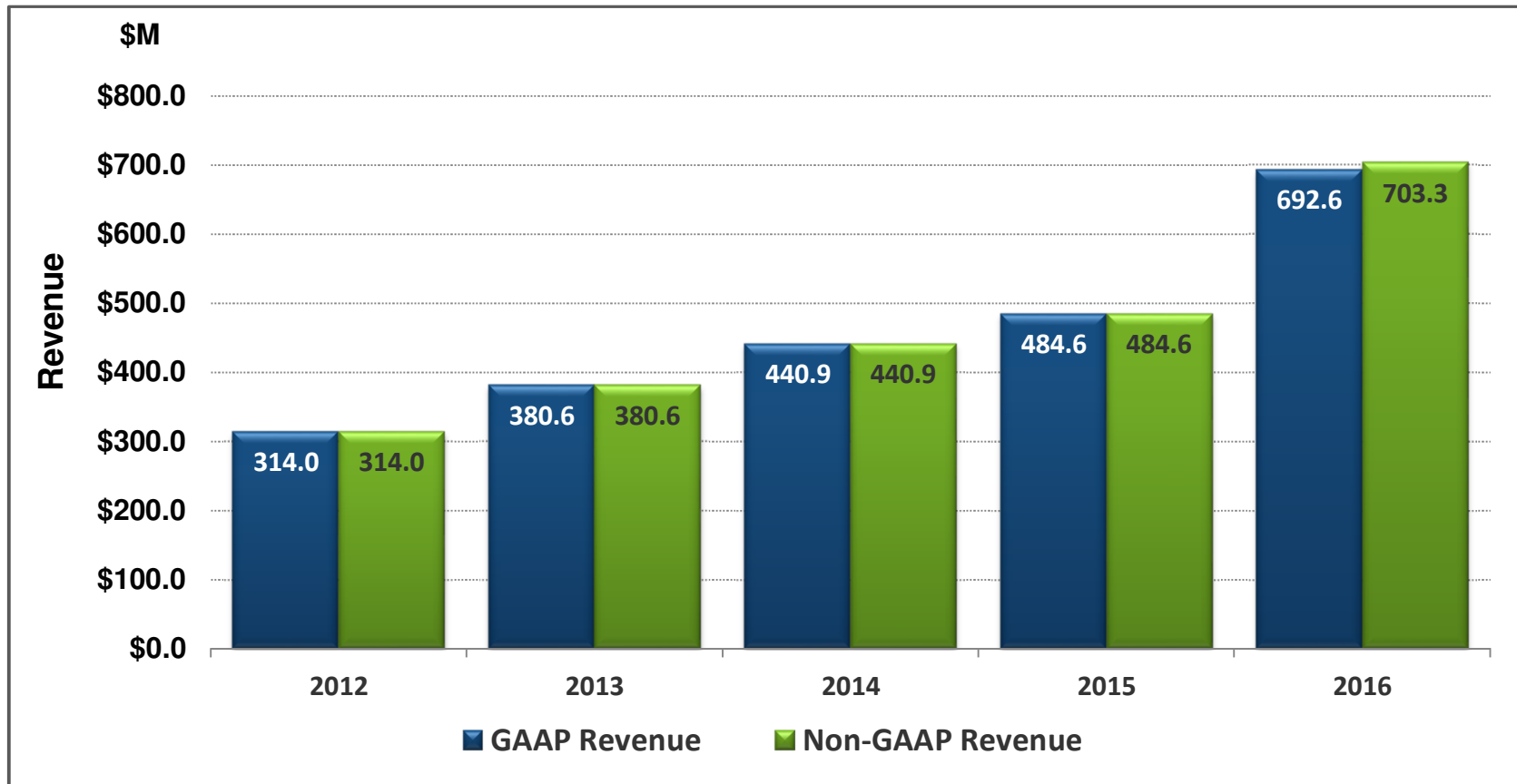


Financial Success



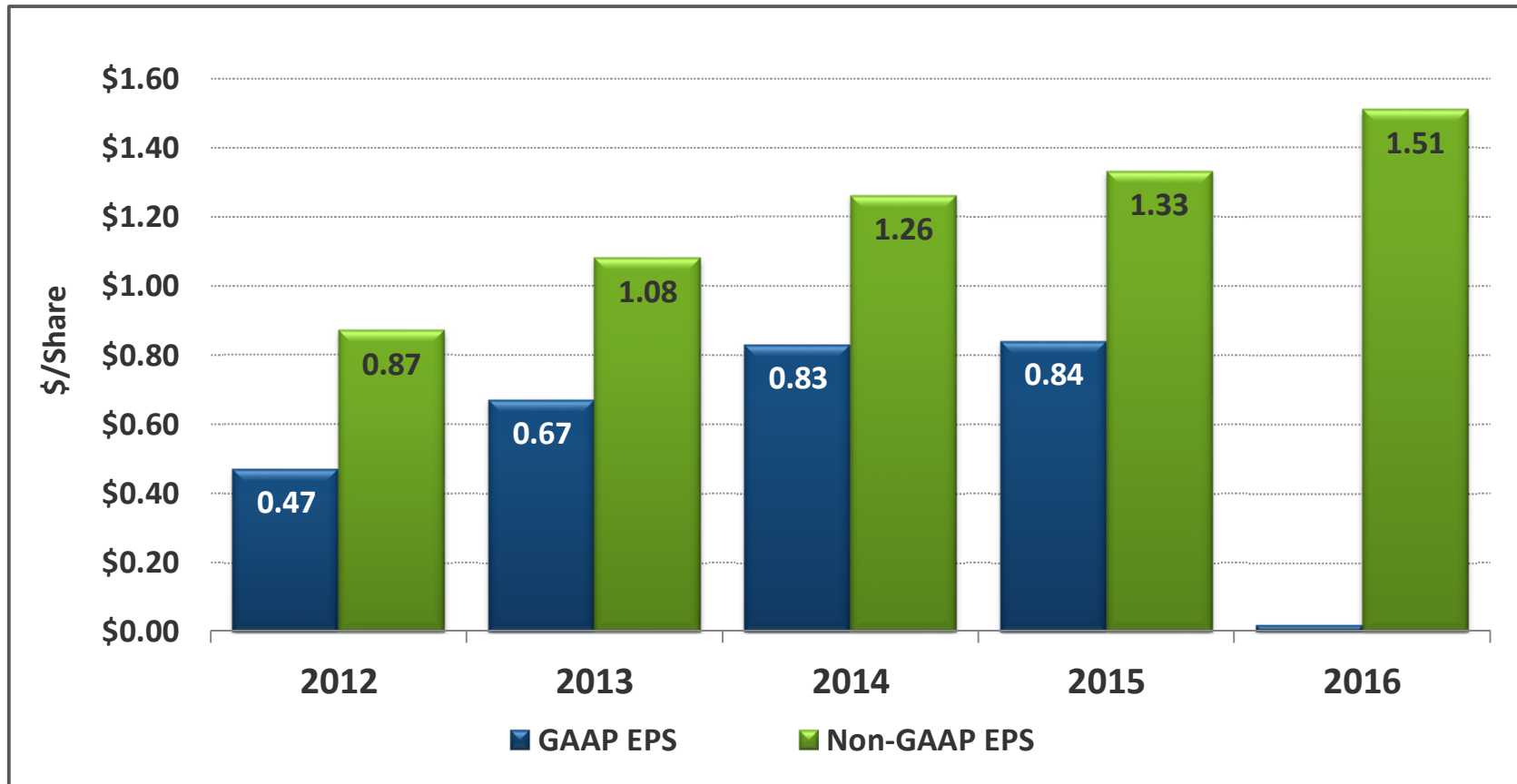


Revenue History



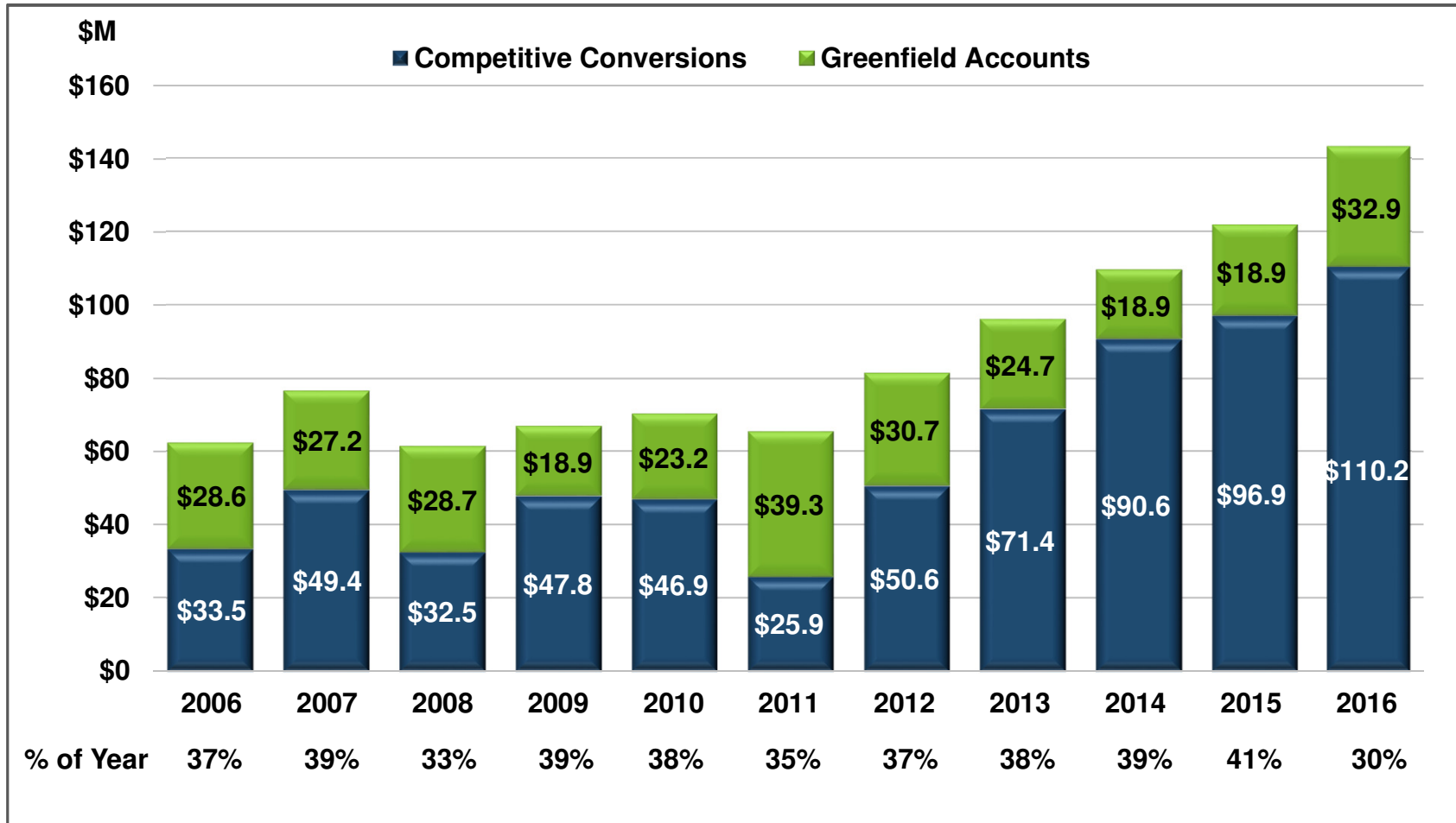


EPS History





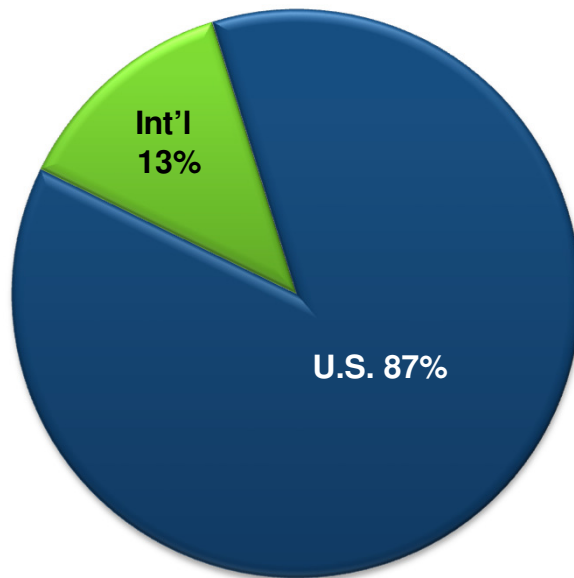
New Accounts/Competitive Conversions



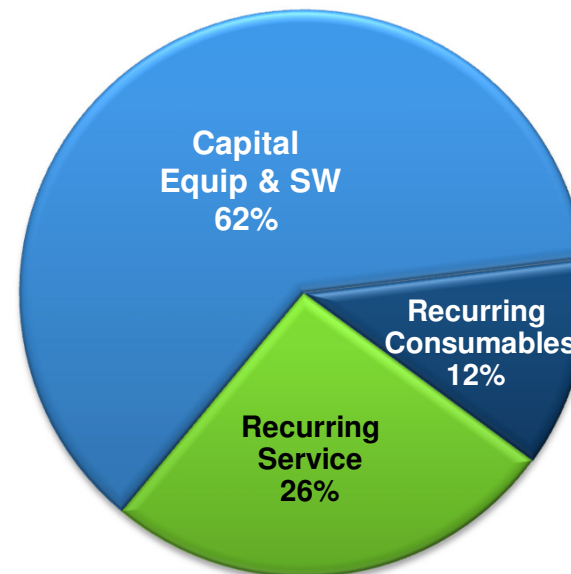


Revenue Sources – 2016

Geographic Revenues Mix



Type of Revenue





12 Successful Acquisitions

- 1999 – Medication Dispensing Product Line from [Baxter](#)
- 2002 – [Medisafe](#) - Medication Control Software
- 2002 – [APRS](#) - Central Pharmacy Automation
- 2003 – [BCX](#) - Open Supply System
- 2007 – [Rioux Vision](#) - Mobile Medication Systems
- 2010 – [Pandora Data Systems](#) - Analytics Software
- 2012 – [MTS Medication Technologies](#) - Medication Adherence Products
- 2014 – [Surgichem](#) - UK Medication Adherence Products
- 2015 – [Mach4 Pharma Systems](#) - Robotic Dispensing Systems – non US
- 2015 – [Avantec](#) - UK Distributor of Omnicell Systems
- 2016 – [Aesynt](#) - Medication Dispensing, Central Pharmacy, IV Automation and Analytics
- 2016 – [Ateb](#) – Pharmacy Software Solutions Provider



GAAP Income Statement

Dollars in Thousands	Q415 Final	Q116 Final	Q216 Final	Q316 Final	Q416 Final
Product Revenue	104,193	127,895	130,674	133,622	125,753
Service Revenue	26,123	43,109	42,233	43,116	46,221
Total Revenue	130,316	171,004	172,907	176,737	171,974
Gross Margin	65,080	79,945	78,017	81,508	74,329
GP %	49.9%	46.8%	45.1%	46.1%	43.2%
Total Operating Expense	53,110	78,093	78,135	76,580	74,510
OE %	40.8%	45.7%	45.2%	43.3%	43.3%
Operating Income	11,970	1,852	(118)	4,928	(181)
OI %	9.2%	1.1%	(.1%)	2.8%	(.1%)
Net Income	7,655	(378)	(1,159)	1,983	157
NI %	5.9%	(.2%)	(.7%)	1.1%	.1%
EPS - GAAP - Diluted	\$ 0.21	\$ (0.01)	\$ (0.03)	\$ 0.05	\$ -



Non-GAAP Income Statement

Dollars in Thousands	Q415 Final	Q116 Final	Q216 Final	Q316 Final	Q416 Final
Product Revenue	104,193	129,856	131,696	135,113	127,245
Service Revenue	26,123	43,812	43,874	44,287	47,393
Total Revenue	130,316	173,667	175,570	179,400	174,637
<i>Year to Year %</i>	<i>7.2%</i>	<i>49.4%</i>	<i>55.7%</i>	<i>43.3%</i>	<i>34.0%</i>
Gross Margin	66,107	89,289	87,686	90,963	83,959
<i>GM %</i>	<i>50.7%</i>	<i>51.4%</i>	<i>49.9%</i>	<i>50.7%</i>	<i>48.1%</i>
Total Operating Expense	45,685	68,202	67,468	68,475	65,258
Operating Income	20,423	21,087	20,218	22,488	18,701
<i>OI %</i>	<i>15.7%</i>	<i>12.1%</i>	<i>11.5%</i>	<i>12.5%</i>	<i>10.7%</i>
Net Income	14,443	13,026	14,031	14,894	13,805
<i>NI %</i>	<i>11.1%</i>	<i>7.5%</i>	<i>8.0%</i>	<i>8.3%</i>	<i>7.9%</i>
EPS - Non-GAAP (1)	\$ 0.40	\$ 0.36	\$ 0.38	\$ 0.40	\$ 0.37
EBITDA Non-GAAP	25,040	25,977	26,153	27,477	23,272

(1) Non-GAAP measures excludes stock compensation expense and amortization of intangible assets associated with acquisitions, one time acquisition related expenses, acquisition accounting impacts related to deferred revenue, inventory fair value adjustments, and property, plant, and equipment fair value adjustments.



Balance Sheet – Consolidated

	Quarter		Curr vs Prior Qtr	
	Q316	Q416	\$	%
<u>Assets:</u>				
Cash & Equivalents	47,287	54,488	7,201	15.2%
Accounts Receivable	177,020	150,303	(26,717)	(15.1%)
Inventories	74,125	69,297	(4,828)	(6.5%)
Prepaid Expenses	29,620	28,646	(974)	(3.3%)
Other Current Assets	9,016	12,674	3,658	40.6%
Total Current Assets	337,067	315,408	(21,659)	(6.4%)
Property, Plant & Equipment	41,034	42,011	977	2.4%
Goodwill	311,420	327,724	16,304	5.2%
Other Intangibles	187,571	190,283	2,712	1.4%
Lease Investment	18,756	20,585	1,829	9.8%
Long Term Deferred Tax Assets	2,955	4,041	1,086	36.7%
Other Long Term Assets	32,610	35,051	2,441	7.5%
Total Assets	931,415	935,103	3,688	0.4%
<u>Liabilities and Stockholders' Equity:</u>				
Accounts Payable	36,715	27,069	(9,646)	(26.3%)
Accrued Compensation	27,117	26,722	(395)	(1.5%)
Advance Payment	5,855	7,030	1,175	20.1%
Accrued Liabilities	26,949	24,162	(2,787)	(10.3%)
Deferred Revenue, net	93,120	87,516	(5,604)	(6.0%)
Obligation Resulting from Sales Leases	5	3	(2)	(40.3%)
Short Term Debt	8,410	8,410	-	-
Total Current Liabilities	198,171	180,912	(17,259)	(8.7%)
Long Term Deferred Service Revenue	17,096	17,051	(45)	(0.3%)
Long Term Debt	214,834	245,731	30,897	14.4%
Other Long Term Liabilities	73,749	59,802	(13,948)	(18.9%)
Equity	427,565	431,607	4,042	0.9%
Total Liabilities and Stockholders' Equity	931,415	935,103	3,688	0.4%



2017 Guidance – 2 Distinct Phases

	<u>1Q17</u>	<u>2Q17 through 4Q17</u>	<u>Total Year 2017</u>
Bookings	<0% growth year over year	>20% growth year over year	\$570M - \$590M
Non-GAAP Revenue	\$150M - \$155M	\$590M - \$605M	\$740M - \$760M
Non-GAAP EPS	\$0.00 - \$0.04	\$1.32 - \$1.38	\$1.32 - \$1.42

1Q17 Dynamics

- Conversion of G4 backlog & sales quotes to XT
- XT Manufacturing volume ramp up
- First XT installs
- XT manufacturing ramp up cost

1Q17 Actions

- 100 position RIF, Tennessee office closure
- General hiring delays

2Q17 through 4Q17 Dynamics

- Acudose on XT launch
- Improved XT production cost
- Return to 8%-12% organic revenue growth

2Q17 through 4Q17 Actions

- XT COGS reductions
- Continued cost actions
- Centers of Excellence creation