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Omnicell Inc. Q4 2007 Earnings Call Transcript

Earnings Call Excerpt

Omnicell Inc. (OMCL)

Q4 2007 Earnings Call

January 31, 2008 03:00 pm

Executives

Randy Lipps – Exec. Chairman, CEO and Pres

Rob Seim – Chief Financial Officer and VP of Fin.

Analysts

Glenn Garmont – Broadpoint Capital

Eugene Goldinberg– BB&T Capital Markets

Tom Gallucci – Merrill Lynch

Sean Wieland – Piper Jaffray

Alan Fishman – Thomas Weisel Partners

Greg Stalsberg – Craig-Hallum Capital

Leo Carpio – Caris & Company

Presentation

Operator

Welcome to the Omnicell Fourth Quarter 2007 Financial Results Conference Call.

(Operator Instructions)

I will now turn the conference over to your host, Rob Seim, CFO of Omnicell. Please go ahead, sir.

Rob Seim

Welcome to the Omnicell Fourth Quarter results conference call. Joining me today is Randall Lipps, Omnicell President and CEO. You can find the results in the Omnicell Fourth Quarter Press Release posted in the Investor Relations section of our website at www.omnicell.com.

This call will include forward-looking statements subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied.

For a more detailed description of the risks that impact these forward-looking statements, please refer to the information under the heading "Risk Factors", and under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operation", and the "Omnicell Annual Report" on Form 10-K filed with the SEC on March 23, 2007, as well as more recent filings with the SEC.

Please be aware that you should not place undue reliance on any forward-looking statements made today. The date of this conference call is January 31, 2008 and all forward-looking statements made on this call are made based on Omnicell's beliefs as of this date only. Future events or simply the passage of time may cause these beliefs to change.

Finally, this conference call is the property of Omnicell Incorporated and any taping or duplication or rebroadcast without the expressed written consent of Omnicell is prohibited.

During the call today, I will start with an overview of the financial results for the quarter and for the full year of 2007 followed by Randy who will cover some of the quarter's business highlights. I will then discuss Omnicell's guidance for 2008, after that, we will open the call for your questions.

The fourth quarter of 2007 finished up a very strong year for Omnicell. We posted record revenues and record profits again. The results of our sales and operations in Q407 met analyst consensus expectations in \$0.28 per share including absorbing a modest net loss from our Rioux mobile cart product line acquired in December 2007. As we have said several times, capital equipments business can be lumpy and this quarter, we did see a decline in our product backlogs of \$3.6 million. Product order backlog now totals \$137 million which including Rioux is a little more than 2.5 quarters of forward-looking revenue. The mobile cart business that we acquired in Q4 operates with virtually no backlogs, which reduces the months of backlog metrics for us about half a month. As we have said before, our stated objective is to maintain backlogs between six to nine months of forward revenue.

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