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Omnicell, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator Our next question comes from the line of Glenn Garmont of ThinkEquity. **Glenn Garmont - ThinkEquity** Thanks good afternoon. Just two quick ones Rob I appreciate the additional guidance on the first quarter earnings expectation I was wondering, can you provide some color on how you see sort of the revenue progression coming out throughout the year, should we be modeling sort of step-down in revenue in the first quarter and then maybe a modest sequential improvement from there or will it be a bit lumpier than that. And then my second question I didn't see specifically in the Duke press release that that was the sole source contract? Can you verify that that was a case it sounds like it was? Thanks.

Rob Seim

After our pretty substantial success in Q3 last year with new customers, those customers scheduled in lot of their installations in Q1, Q2, and Q3. And so at this point in time we really expect the revenue stream to be relatively consistent during the year. And as far as Duke, Duke has for automated dispensing systems is utilizing Omnicell at this point in time. Duke is a very large institution and have contracts with many different vendors and I'm sure their other contracts are not canceled. But for our made dispensing systems they had to put in Omnicell.

Glenn Garmont - ThinkEquity

Okay, that is helpful. Thank you.

Operator

Your next question comes from the line of Gene Mannheimer of Auriga Securities.

Gene Mannheimer - Auriga Securities

Thanks. Congrats on Duke and Emory, two obviously prestigious academic medical centers. Can you distinguish for us at least your view on the financial health of the academics versus community hospitals, or corporate chains and government owned facilities and can you characterize what your exposure is to each of those? Thanks.

Randall A. Lipps

You can hear from me, Gene, it's Randy Lipps. I think academic centers have tended to have better financial situations obviously because they have sort of a large builder group and they tend to be sort of a premium healthcare group that people go through when they have unique issues and problems. And I think they will continue to attract those kinds of patients and bring in those kinds of light, but in

the same eye have been hit with slowdowns and donations from their endowments as well, but they tend to be some of the healthiest I think out there from my perspective and then I think we have a leading edge product in the marketplace today and these types of institutions like I said in the call 10 out of the 15 best hospitals according to U.S. Management Report have moved Omnicell in the past and I think more are going to continue to do that because as they want to be on the best technology available that help them drive safety and cost effectiveness. And so certainly we have always been positioned that way, but our SinglePointe solution really helps us to get there. I think as far as the government is concerned, we saw good sales last year and I think that, while they, they're probably less impacted then maybe your general community hospitals. But there is kind of a mixed bag all over the place. We are strong in the government so I think that we are looking for good results from that sector again this year, but maybe not as quite good as last year and the community hospitals are really a mixed bag some are very healthy some are not quite as healthy and some have slowed down altogether. So, I think that is probably the right picture there for us looking forward.

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