

OMNICELL INC /CA/
Form 10-K/A
March 31, 2003

[QuickLinks](#) -- Click here to rapidly navigate through this document

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A
Amendment No. 1**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2002.

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number: 000-33043

Omnicell, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

**1101 East Meadow Drive
Palo Alto, California**

(Address of principal executive office)

94-3166458

(I.R.S. Employer
Identification Number)

94303
(Zip Code)

Registrant's telephone number, including area code: **(650) 251-6100**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
None

**Name of each exchange
on which registered**
None

Securities registered pursuant to Section 12(g) of the Act:

common stock, \$0.001 par value

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sale price of the common stock on June 28, 2002 as reported on the Nasdaq National Market, was approximately \$115 million. Shares of common stock held by each executive officer, director and each person who is known by the Registrant to own 5% or more of the Registrant's outstanding common stock have been excluded in that such persons may be deemed to be affiliates. Share ownership information of certain persons known by the Registrant to own greater than 5% of the outstanding common stock for purposes of the preceding calculation is based solely on information on Schedule 13G filed with the Commission and is as of June 28, 2002. This determination of affiliate status is not a conclusive determination for other purposes.

The number of outstanding shares of the Registrant's common stock was 22,284,144 as of February 28, 2003.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Registrant's Annual Meeting of Stockholders to be held on May 21, 2003 are incorporated by reference into Part III of this Form 10-K.

Explanatory Note

Omnicell, Inc. hereby amends its Annual Report on Form 10-K for the fiscal year ended December 31, 2002. This Form 10-K/A is being filed for the sole purpose of correcting typographical errors in Item 5 and in the Signatures page to the Company's Form 10-K which was originally filed on March 28, 2003.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) Market for Our Common Stock

The Company's common stock has been traded on the Nasdaq National Market tier of the Nasdaq Stock Market under the trading symbol "OMCL" since August 7, 2001. The following table sets forth for the period indicated the high and low closing sale prices for the common stock, as reported by the Nasdaq National Market. The reported last sale price of the Company's common stock on the Nasdaq National Market on February 28, 2003 was \$3.00.

Fiscal Year Ended December 31, 2002	High	Low
Fourth Quarter	\$ 5.36	\$ 1.40
Third Quarter	\$ 6.60	\$ 5.62
Second Quarter	\$ 9.05	\$ 4.57
First Quarter	\$ 9.05	\$ 6.50
Fiscal Year Ended December 31, 2001		
Fourth Quarter	\$ 10.50	\$ 7.30
Third Quarter	\$ 9.70	\$ 5.60

The approximate number of holders of record of the shares of the Company's common stock was 411 as of February 28, 2003. This number does not include stockholders whose shares are held in trust by other entities. The actual number of stockholders is greater than this number of holders of record. Based on the number of annual reports requested by brokers, the Company estimates that it has approximately 1,900 beneficial owners of its common stock.

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

The Company has never paid any cash dividends on its common stock and does not anticipate paying cash dividends in the foreseeable future. The Company has entered into a bank line of credit and the Company's agreement with such lender prohibits the payment of cash dividends without the prior written consent of the lender.

(b) Recent Sales of Unregistered Securities

In October 2001 the Company issued a five-year warrant to purchase 173,410 shares of the Company's common stock at an exercise price of \$8.745 to Ascension Health Ventures, LLC. The sales and issuances of these securities were deemed to be exempt from registration under the Securities Act in reliance upon Regulation D.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

	Page
(a)(1) Financial Statements	
Index to Financial Statements:	
Report of Ernst & Young LLP, Independent Auditors	37
Consolidated Balance Sheets as of December 31, 2002 and 2001	38
Consolidated Statements of Operations for the years ended December 31, 2002, 2001 and 2000	39
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Net Capital Deficiency) for the years ended December 31, 2002, 2001 and 2000	40
Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001 and 2000	41
Notes to Consolidated Financial Statements	42
Consolidated Supplementary Financial Data	64
(a)(2) Financial Statement Schedule	
See Schedule II on page 65 for valuation on qualifying accounts.	
(a)(3) Exhibits	
The exhibits in the accompanying Index to Exhibits are filed or incorporated by reference as part of this Annual Report on Form 10-K.	
(b) Reports on Form 8-K	
The Company filed no reports on Form 8-K during the fiscal year ended December 31, 2002.	

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OMNICELL, INC.

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

Date: March 31, 2003

By: /s/ DENNIS P. WOLF

Dennis P. Wolf
Executive Vice President of Operations, Finance and
Administration, and Chief Financial Officer
(Principal Financial and Accounting Officer)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OMNICELL, INC.

Date: March 28, 2003

By: /s/ DENNIS P. WOLF

Dennis P. Wolf
Executive Vice President of Operations, Finance and Administration,
and Chief Financial Officer (Principal Financial and Accounting
Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of the persons whose signature appears below hereby constitutes and appoints Randall A. Lipps and Dennis P. Wolf, each of them acting individually, as his or her attorney-in-fact, each with the full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming our signatures as they may be signed by our said attorney-in-fact and any and all amendments to this Annual Report on Form 10-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
<hr/> /s/ RANDALL A. LIPPS <hr/> Randall A. Lipps	Chief Executive Officer, President and Chairman of the Board (Principal Executive Officer)	March 28, 2003
<hr/> /s/ DENNIS P. WOLF <hr/> Dennis P. Wolf	Executive Vice President of Operations, Finance and Administration, And Chief Financial Officer (Principal Financial and Accounting Officer)	March 28, 2003
<hr/> /s/ CHARLES J. BARNETT <hr/> Charles J. Barnett	Director	March 28, 2003
<hr/> Christopher J. Dunn	Director	
<hr/> /s/ FREDERICK J. DOTZLER	Director	March 28, 2003

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<hr/> <hr/> Frederick J. Dotzler		
<hr/> /s/ BENJAMIN A. HOROWITZ	Director	March 28, 2003
<hr/> Benjamin A. Horowitz		

66

<hr/> /s/ KEVIN L. ROBERG	Director	March 28, 2003
<hr/> Kevin L. Roberg		
<hr/> /s/ JOHN D. STOBO, JR.	Director	March 28, 2003
<hr/> John D. Stobo, Jr.		
<hr/> /s/ WILLIAM H. YOUNGER, JR.	Director	March 28, 2003
<hr/> William H. Younger, Jr.		

67

CERTIFICATIONS

I, Randall A. Lipps, certify that:

1. I have reviewed this annual report on Form 10-K/A of Omnicell, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c)

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 31, 2003

/s/ RANDALL A. LIPPS

Randall A. Lipps
President and Chief Executive Officer

I, Dennis P. Wolf, certify that:

- 1. I have reviewed this annual report on Form 10-K/A of Omnicell, Inc.;
- 2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
- 4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b)

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5.

The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6.

The registrant's other certifying officers and I have indicated in this annual report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 31, 2003

/s/ DENNIS P. WOLF

Dennis P. Wolf
Executive Vice President, Operations, Finance and Administration and Chief
Financial Officer

Exhibit No.	Exhibit Index
3.1(1)	Amended and Restated Certificate of Incorporation of Omnicell, Inc.
3.2(11)	Certificate of Designation of Series A Junior Participating Preferred Stock.
3.3(2)	Bylaws of Omnicell, Inc.
4.1(3)	Form of Common Stock Certificate.
4.2(3)	Amended and Restated Investor Rights Agreement, dated January 20, 2000.
4.3(4)	Warrant Agreement, dated January 23, 1995, between Omnicell and Comdisco, Inc.
4.4(5)	Warrant Agreement, dated September 29, 1995, between Omnicell and Comdisco, Inc.
4.5(6)	Warrant, dated December 31, 2000, between Omnicell and Silicon Valley Bank.
4.6(7)	Warrant, dated October 31, 2001, between Omnicell and Ascension Health Ventures, LLC.
4.7(8)	Rights Agreement, dated February 6, 2003, between Omnicell and EquiServe Trust Company, N.A.
10.1(3)	Real Property Lease, dated September 24, 1999, between W.F. Batton & Co., Inc. and Omnicell, as amended.
10.2(3)	Real Property Lease, effective July 1, 1999, between Omnicell and AmlI Commercial Properties Limited Partnership.
10.3(3)	Real Property Lease, dated April 3, 1996, between O'Donnell Palo Alto Associates and Omnicell.
10.4(3)	Real Property Lease, dated March 25, 1994, between W.F. Batton & Co., Inc. and Omnicell as amended.
10.5(3)	Master Assignment Agreement and Master Sales Agreement, dated September 29, 1994, between Americorp Financial, Inc. and Omnicell, as amended.
10.6(3)	Group Purchasing Agreement, effective June 1, 1997, between Premier Purchasing Partners, L.P., and Omnicell.

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

Exhibit No.	Exhibit Index
10.7(3)	Letter Agreement, dated June 27, 1997, between the University Health System Consortium Services Corporation and Omnicell.
10.8(3)	Federal Supply Schedule Contract No. V797P3406k, effective August 7, 1997, between the Department of Veterans Affairs and Omnicell.
10.9(3)	Asset Purchase Agreement, dated December 18, 1998, between Omnicell and Baxter Healthcare Corporation, as amended.
10.10(11)	Loan and Security Agreement, dated August 1, 2002, between Silicon Valley Bank and Omnicell, as amended December 31, 2002.
10.11(1)(9)	Vertical Hosted License Agreement, dated August 21, 1999, between Omnicell and Commerce One, Inc., as amended.
10.12(3)	Form of Director and Officer Indemnity Agreement.
10.13(3)	1992 Equity Incentive Plan, as amended.
10.14(3)	1995 Management Stock Option Plan.
10.15(3)	1997 Employee Stock Purchase Plan, as amended.
10.16(10)	1999 Equity Incentive Plan, as amended.
10.17(3)	Program Agreement, dated June 7, 1999, between General Electric Company and Omnicell.
10.18(3)	Employment Agreement, dated December 13, 1993, between Omnicell and Sheldon D. Asher.
10.19(3)(9)	Service Agreement, dated August 1, 1998, between Omnicell and Dade Behring, Inc., as amended.
10.20(3)(9)	Collaborative Solutions Provider Agreement, dated July 10, 2001, between Omnicell and Bergen Brunswig Drug Company.
10.21(11)	Employment Agreement, dated January 16, 2003, between Omnicell and Dennis P. Wolf.
21.1(11)	Subsidiaries of the Registrant.
23.1(11)	Consent of Ernst & Young LLP, Independent Auditors.
24.1(11)	Powers of Attorney. Reference is made to the signature page to this report.
99.1	Certification

- (1) Previously filed as Exhibit 3.3.2 to our Registration Statement on Form S-1, as amended, filed on March 14, 2001 and incorporated herein by reference.
- (2) Previously filed as Exhibit 3.6 to our Registration Statement on Form S-1, as amended, filed on March 14, 2001 and incorporated herein by reference.
- (3) Previously filed as the like-numbered Exhibit to our Registration Statement on Form S-1, filed on March 14, 2001 and incorporated herein by reference.
- (4) Previously filed as Exhibit 4.4 to our Registration Statement on Form S-1, as amended, filed on March 14, 2001 and incorporated herein by reference.
- (5) Previously filed as Exhibit 4.6 to our Registration Statement on Form S-1, as amended, filed on March 14, 2001 and incorporated herein by reference.
- (6) Previously filed as Exhibit 4.8 to our Registration Statement on Form S-1, as amended, filed on March 14, 2001 and incorporated herein by reference.
- (7) Previously filed as Exhibit 4.6 to our Annual Report on Form 10-K, filed on March 27, 2002 and incorporated by reference herein.
- (8) Previously filed as Exhibit 99.2 to our Current Report on Form 8-K, filed on February 14, 2003 and incorporated by reference herein.
- (9)

Edgar Filing: OMNICELL INC /CA/ - Form 10-K/A

Confidential treatment has been granted for a portion of this exhibit.

- (10) Previously filed as Exhibit 10.16 to our Quarterly Report on Form 10-Q, filed on November 14, 2002 and incorporated herein by reference.
- (11) Previously filed as the like-numbered exhibit to our Annual Report on Form 10-K, filed on March 28, 2003 and incorporated by reference herein.
-

QuickLinks

[Explanatory Note](#)

[PART II](#)

[ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS](#)

[PART IV](#)

[ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K](#)

[SIGNATURE](#)

[SIGNATURES](#)

[POWER OF ATTORNEY](#)

[CERTIFICATIONS](#)