

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 6, 2023

ACCURAY INCORPORATED

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33301
(Commission File Number)

20-8370041
(IRS Employer
Identification No.)

1310 Chesapeake Terrace
Sunnyvale, California
(Address of Principal Executive Offices)

94089
(Zip Code)

Registrant's Telephone Number, Including Area Code: 408 716-4600

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, \$0.001 par value per share | ARAY | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On March 6, 2023, Accuray Incorporated (the “Company”) intends to present the management presentation slides attached hereto as Exhibit 99.1 during a Fireside Chat at the Cowen 43rd Annual Health Care Conference to discuss, among other things, the long-term business and growth strategies for the Company. Such slides may be used in additional presentations to investors and analysts from time to time. The management presentation slides will also be posted on the investor relations portion of the Company’s website.

The information contained in this Current Report on Form 8-K, including Exhibit 99.1, is furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Management Presentation Slides of Accuray Incorporated dated March 6, 2023 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

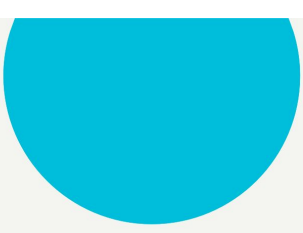
SIGNATURES

Pursuant to the requirements 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.

ACCURAY INCORPORATED

Date: March 6, 2023

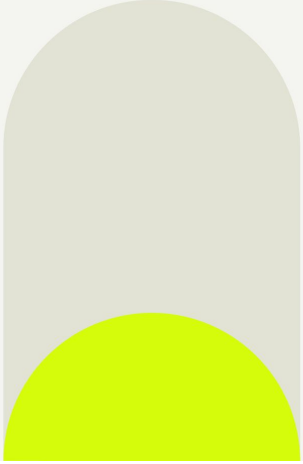
By: _____
/s/ Jesse Chew
Jesse Chew
Senior Vice President & General Counsel



ACCURAY

2023 Cowen Healthcare Investor Conference

Innovation Driven Growth Strategy



March 6, 2023



Forward-looking Statements

This presentation is intended exclusively for investors. It is not intended for use in Sales or Marketing.

Safe Harbor Statement

Statements in this presentation (including the oral commentary that accompanies it) that are not statements of historical fact are forward-looking statements and are subject to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this presentation relate, but are not limited, to: expectations regarding fiscal 2023 full-year adjusted EBITDA and revenue; our positioning and strategy for accelerating revenue growth and market share; expectations regarding radiation therapy and its position for value-based care and potential as a first-line therapy; expectations regarding the size and growth of the radiation therapy market; expectations regarding our areas of strategic focus; expectations regarding new product enhancements or offerings and partnerships, including with respect to the China JV and related products; expectations regarding adjusted EBITDA margin expansion and targets; and expectations related to our revenue growth, market share, growth catalysts, customer demand and installed base. Forward-looking statements generally can be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "projects," "may," "will be," "will continue," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from expectations. These risks and uncertainties include, but are not limited to: risks related to the current global economic environment and the effects of the COVID-19 pandemic on our business, financial condition, results of operations or cash flows; disruptions to our supply chain, including increased logistics costs; our ability to achieve widespread market acceptance of our products, including new product offerings and improvements; our ability to develop new products or enhance existing products to meet customers' needs and compete favorably in the market; our ability to realize the expected benefits of the joint-venture and other partnerships; risks inherent in international operations; our ability to effectively manage our growth; our ability to maintain or increase our gross margins on product sales and services; delays in regulatory approvals or the development or release of new offerings; our ability to meet the covenants under our credit facilities; our ability to convert backlog to revenue; and other risks identified under the heading "Risk Factors" in our quarterly report on Form 10-Q, filed with the Securities and Exchange Commission (the "SEC") on February 2, 2023, and as updated periodically with our other filings with the SEC.

Forward-looking statements speak only as of the date the statements are made and are based on information available to Accuray at the time those statements are made and/or management's good faith belief as of that time with respect to future events. Accuray assumes no obligation to update forward-looking statements to reflect actual performance or results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. Accordingly, investors should not place undue reliance on any forward-looking statements.

Non-GAAP Financial Measures

This presentation also contains non-GAAP financial measures. Management believes that non-GAAP financial measures provide useful supplemental information to management and investors regarding the performance of the company and facilitates a more meaningful comparison of results for current periods with previous operating results. Additionally, these non-GAAP financial measures assist management in analyzing future trends, making strategic and business decisions, and establishing internal budgets and forecasts. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure is provided in the slides at the end of this presentation.

Accuray has also reported certain operating results on a constant currency basis in order to facilitate period-to-period comparisons of its results without regard to the impact of foreign currency exchange rate fluctuations. Management believes disclosure of non-GAAP constant currency results is helpful to investors because it facilitates period-to-period comparisons of the company's results by increasing the transparency of the underlying performance by excluding the impact of foreign currency exchange rate fluctuations. Accuray calculates the constant currency amounts by translating local currency amounts in the current period using the same foreign translation rate used in the prior period being compared against rather than the actual exchange rate in effect during the current period.

There are limitations in using these non-GAAP financial measures because they are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for GAAP financial measures. Investors and potential investors should consider non-GAAP financial measures only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP.

Medical Advice Disclaimer

Accuray Incorporated as a medical device manufacturer cannot and does not recommend specific treatment approaches. Individual results may vary.

Proprietary and Confidential Property of Accuray

Global Leader in Precision Radiation Therapy

Vision: Expand Curative Power of RT to Improve the Lives of Patients Diagnosed with Cancer



14% R&D Spend
In FY22²

392 Patents
In Portfolio¹

Key FY22
Financials

\$430M Total
Revenue

22% YOY Product
Revenue
Growth



**2 Precision
Platforms**



1,000th
Installed
Base Achieved in
January of 2023

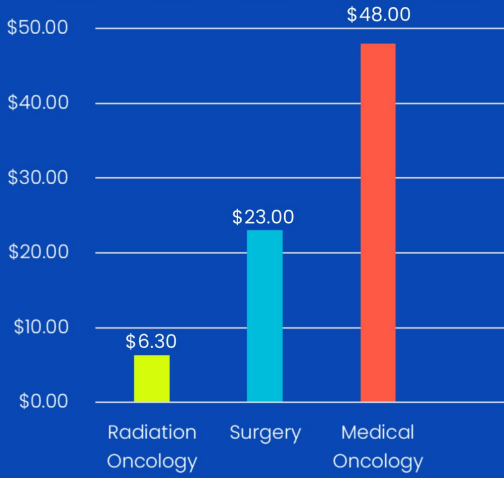
1,000+ Global Employee
Presence¹

Main Manufacturing
Facility Madison, WI

Strongly Positioned for Value-based Care

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U.S. Cancer Expenditures Estimate (\$ Billion)^{1,2}



~60%

Cancer patients treated with radiation therapy³



Proven Outcomes



Enhanced Patient Experience



Non-Invasive

4

1: Dieguez G., Ferro C., Pyenson B.S. A multi-year look at the cost burden of cancer care: Milliman research report. <https://milliman-cdh.azureedge.net/-/media/Milliman/importedfiles/uploadedFiles/insight/2017/cost-burden-cancer-care.ashx> (Published 2017. Accessed August 21, 2020)
2: NIH National Cancer Institute Cancer Trend Progress Report https://progresreport.cancer.gov/after/economic_burden (Data as of April 2022)
3: <https://www.cancer.gov/publications/patient-education/radiation-and-you-2021-508.pdf>

Proprietary and Confidential Property of Accuray

The Golden Age of Radiotherapy

Radiotherapy/surgery emerging as potential first-line therapy

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Shorter
Treatment
Regimens

Improved
Visualization

Personalized
Treatments

Powerful
Partnerships

Clinical
Innovation

Reduced Patient Burden – Advanced Precision – Improved Outcomes

Accuray Executive Leadership Team

ACCURAY



Suzanne Winter
President and CEO



Ali Pervaiz
Senior Vice President,
Chief Financial Officer



Sandeep Chalke
Senior Vice President,
Chief Commercial
Officer



Jim Dennison
Senior Vice President,
Global Quality &
Regulatory Affairs



Jesse Chew
Senior Vice President,
General Counsel



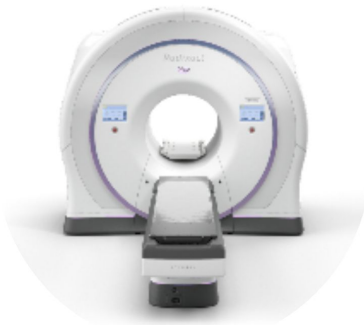
Mike Hoge
Senior Vice President,
Global Operations



Patrick Spine
Senior Vice President,
Chief Administrative
Officer

Radixact® System

CT-Linac System



Premium Performance

CyberKnife®

Robotic System



Radical surgery/SBRT System

Accuray Precision®

Treatment Planning System



Connectivity to the RT Department

The Radixact[®] System: a Universal Workhorse

ACCURAY

**Unique
Helical
Platform**

Simple
VOLO[™] Ultra
Planning

Precise Helical
Dose Painting

Synchrony[®]
4D Dynamic
Delivery

**Any Case
Complexity**

ClearRT[™]
Imaging

Quick
Installation

Vendor
Neutral
Connectivity



The CyberKnife® Radiosurgery System

ACCURAY

Unique Robotic Platform

Submillimeter Accuracy

Thousands of Beam Angles

Fast Delivery

Versatile SRS/SBRT System

Flexible Collimation For Various Cases

Powerful Planning Choices

Moving Or Stationary Targets



Accuray Software Solutions

ACCURAY

Accuray Precision® Treatment Planning

iDMS® Data Management

Strategic Software Partnerships¹

Synchrony® Motion Adaptation Technology

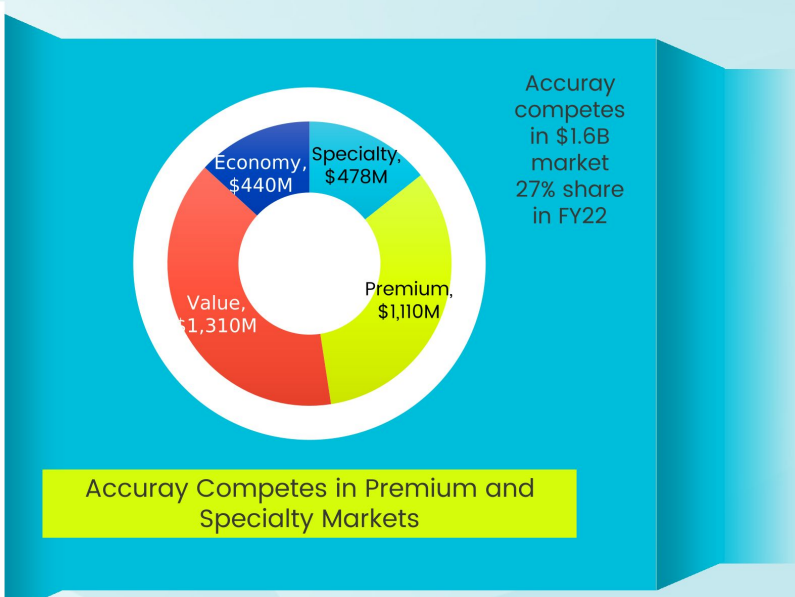
High-quality Plans All Case Types

OIS Compatibility

Seamless Integration

AI-Driven Real-Time Adaptive Therapy





11 | 1: ReAnin Radiotherapy Market, Global Industry insights and trends 2017-2027.

FY23-25 Radiation Therapy Market

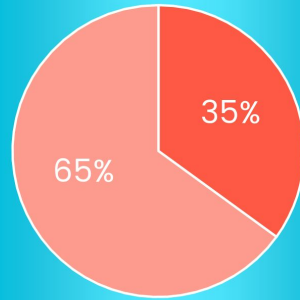
Mature versus growth markets

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MATURE MARKETS

US, Western Europe, Japan, Australasia

- 2,200 systems are 10+ years of age (representing a \$5B market opportunity over time)
- **Pent up demand for technology replacement**
- **Average life cycle increased from 10 to 12.5 years due to COVID**



Replacement ² New ³

GROWTH MARKETS

China, Asean, LATAM, Eastern Europe

- **\$1.3 B Annual New System Market³:**
 - China: \$600-\$700 annual market opportunity 12% CAGR
 - Brazil and India: **\$300M annual market opportunity**
 - **Other markets: \$300-400M**

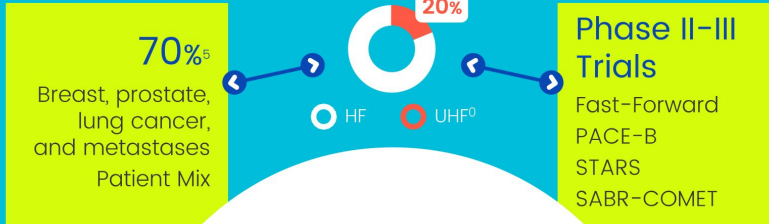
1: Based on COCIR radiotherapy age profile & density, December 2019 Edition, DIRAC database and proprietary data, data on file
2: Infoholic and COCIR reports on proportion of systems and system ageing: ASP estimated at \$2-2.3B, data on file
3: DIRAC database and proprietary data

Ultra-Hypofractionation is Ready for Prime-Time

20% adoption⁰ growing with Phase II-III clinical evidence

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Adoption



70%⁵
Breast, prostate,
lung cancer,
and metastases
Patient Mix

Phase II-III Trials

Fast-Forward
PACE-B
STARS
SABR-COMET

HF:
hypofractionation
UHF: ultra-
hypofractionation



Growing Clinical Evidence Supports UltraHF Treatments

Fast-Forward Trial

- Early-stage breast cancer¹

PACE-B Trial

- Localized prostate cancer²

STARS Trial

- Early-stage lung cancer³

SABR-COMET Trial

- Oligometastatic disease⁴

⁰ Hypofractionated radiotherapy in the real-world setting: An international ESTRO-GBRO survey

¹ Brunt et al. *Lancet*. 2020;395(10237):1613-1626. doi:10.1016/S0140-6736(20)30932-6

² Van As et al. *Journal of Clinical Oncology* 37, no. 7, suppl (March 01, 2019) 1-1. DOI: 10.1200/JCO.2019.37.7_suppl.

³ Chang JY et al. *Lancet Oncol*. 2021 Oct;22(10):1448-1457. doi: 10.1016/S1470-2045(21)00401-0. Epub 2021 Sep 13. PMID: 34529930; PMCID: PMC8521627. (revised) STARS

⁴ Harrow et al. *International Journal of Radiation Oncology, Biology, Physics*. 2022. doi: <https://doi.org/10.1016/j.ijrobp.2022.06.004>

⁵ Incidence based model (Globocan data), Fractionation (The Lancet Oncology), Metastatic percentage (Rosenblatt et al.)

PACE-A Prostate Cancer Trial Shows Significantly Fewer Urinary and Sexual Side Effects with SBRT

The CyberKnife® System: SBRT with sub-millimeter precision and accuracy

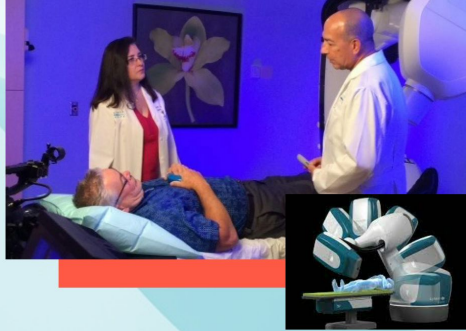
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SBRT vs. Surgery



~ 1 in 8 men in the U.S. will be diagnosed with prostate cancer

Men with prostate cancer report significant emotional distress related to sexual function and urinary control post treatment



First randomized, multicenter trial testing 5-fraction SBRT vs. surgery for prostate cancer

Treatment with SBRT resulted in better sexual function after 2 years

At 2 years, men treated with SBRT were 10x less likely to need urinary pads to manage urinary incontinence (4.5% vs 47%)

14 1: American Cancer Society
2: Professor Nicholas van As, M.D., Medical Director and Consultant Clinical Oncologist of The Royal Marsden NHS Foundation Trust and lead investigator of the trial. Oral presentation and abstract at ASCO GU, 2023, San Francisco, California: <https://meetings.asco.org/abstracts-presentations/217340>
3: Orom H, Biddle C, Underwood W 3rd, Nelson CJ. Worse Urinary, Sexual and Bowel Function Cause Emotional Distress and Vice Versa in Men Treated for Prostate Cancer. J Urol. 2018 Jun;199(6):1464-1469.



Drive market share through disruptive innovation



Expand service business



Drive margin and profitability initiatives



Transform through strategic partnerships

Multi-year Service Strategic Focus

FY23 and beyond

ACCURAY

Securing and Growing Installed Base (IB)

- Service **quality** and customer **satisfaction**
- Clinical **technology** adoption
- **China JV partner** and emerging market distribution

Driving Service Growth Beyond the IB

- **Commercial** focus
- Expansion of **direct-service** channels
- **Value-added service** offering expansion

Increasing Service Profitability

- **Parts cost** productivity
- **Design-for-serviceability**
- **Inventory** optimization

Accuray – GE Healthcare Partnership

Global commercial collaboration agreement

ACCURAY

- **Expand market access to innovative precision solutions from diagnosis to treatment**
- Accuray radiation therapy technologies + GE Healthcare's imaging solutions
- Emphasis on early detection; functional diagnostics; targeted, precise treatment delivery
- Drive digitalization and interoperability
- Personalized care at each stage of the treatment



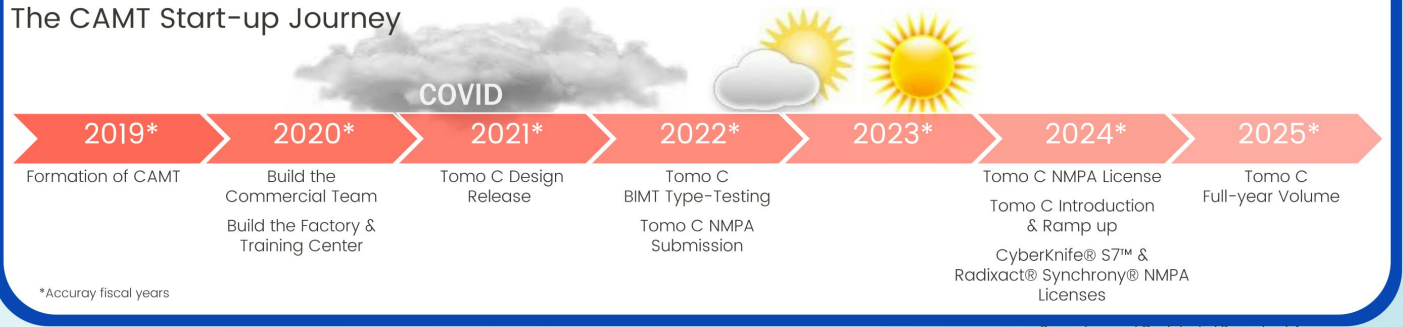
China JV Strategy

CAMT (JV) is our path to winning share in the growing RT market in China

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- Establish domestic presence, brand, product
- Launch Tomo® C for large and growing Type-B segment
- Leverage our strong market share (>70%) in Type-A
- Leverage CAMT infrastructure for COGS reduction & value product manufacturing

The CAMT Start-up Journey





Received IMV Award for Best in Service in Radiation Oncology for 2022



34 new orders globally for Radixact® and CyberKnife® Systems with 92% year over year growth in Americas region



Awarded 18 systems in the November 2022 Ministry of Health Type A central bidding process in China¹



NMPA regulatory submission completed for Tomo® C, the joint venture product for the China Type B segment



Completed production and testing of the first Tomo C unit in Tianjin manufacturing operations

KEY FINANCIAL METRICS

| \$M | Q2 | Y/Y | Q2 Y/Y XFX ² |
|--------------------------|----------|------|----------------------------|
| Gross Orders | \$79.0M | (7%) | (3%) |
| Revenues | \$114.8M | (1%) | 4% |
| Product | \$63.3M | 4% | 8% |
| Service | \$51.5M | (7%) | 0% |
| Op. Expenses | \$40.3M | 4% | |
| R&D | \$14.6M | (0%) | |
| SG&A | \$25.6M | 7% | |
| Adj. EBITDA ¹ | \$8.5M | 24% | |



Highlights

- Solid Q2 orders performance with a book-to-bill ratio of greater than 1.2x
- Strong customer demand and adoption of new capabilities
- Continue to navigate supply chain and inflation challenges
- FX continues to be a significant headwind
- Reaffirmed FY23 full year adjusted EBITDA guidance of \$26M to \$30M^{1,3} on February 1, 2023

¹ Adjusted EBITDA is a non-GAAP measure. Please see Slide 25 for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.

² Percentages shown on a constant currency basis are non-GAAP measures.

³ FY23 guidance affirmed February 1, 2023. Nothing contained herein should be construed as reaffirmation of such guidance.

FY23 Guidance Affirmed February 1, 2023¹

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\$ in millions
% = YoY Growth

FY22
Actual

FY23
Guidance Range¹

Revenue

\$429.9M

\$447M - \$455M

+4% - 6%

Adjusted EBITDA²

\$22.8M

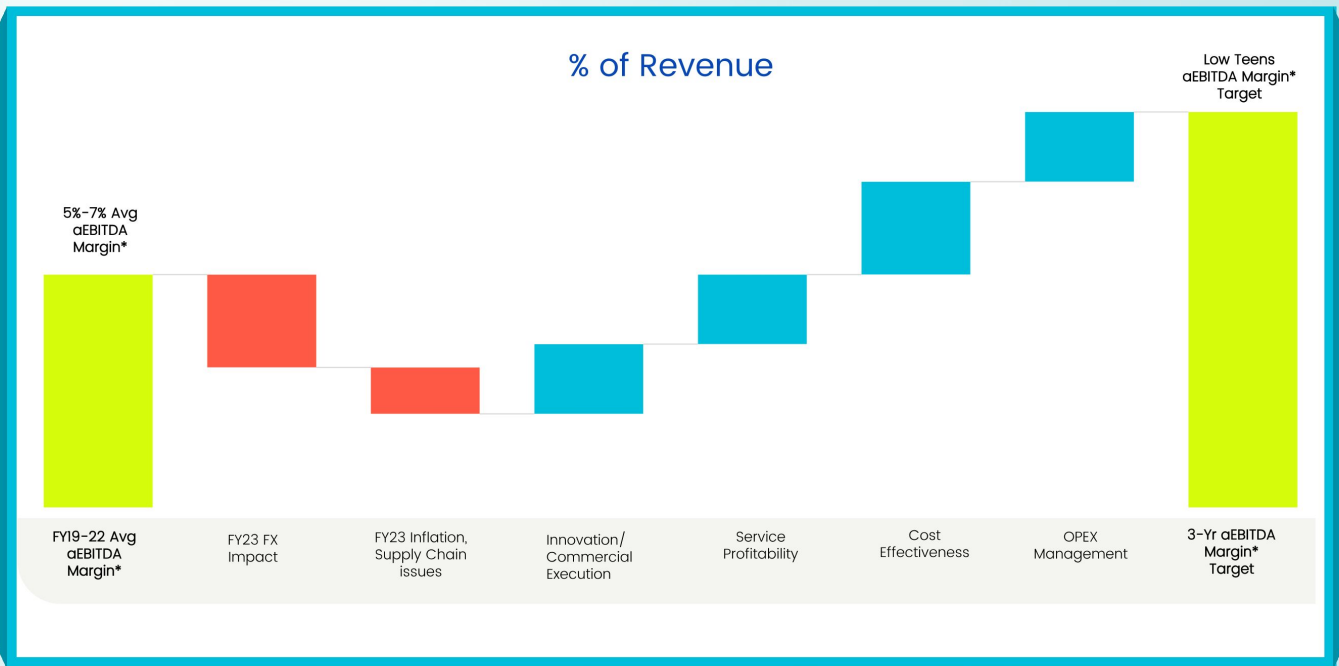
\$26M - \$30M

+14% - 32%

¹FY23 guidance affirmed February 1, 2023. Nothing contained herein should be construed as reaffirmation of such guidance.

²Adjusted EBITDA is a non-GAAP measure. Please see Slides 26 and 27 for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure

FY24 - FY27 aEBITDA Margin* Expansion Strategy



22 Note: Illustrative graph, not to scale
*adjusted EBITDA is a non-GAAP financial measure



Thank you

GAAP to Adjusted EBITDA Q2 FY23 and Q2 FY22

Actual Reconciliation of Net Income (Loss) to Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Stock-Based Compensation (Adjusted EBITDA)

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| \$K | Three Months Ended December 31, 2022 | Three Months Ended December 31, 2021 |
|----------------------------------|--|--|
| GAAP net income (loss) | \$ (1,874) | \$ 179 |
| Depreciation and amortization | 1,151 | 1,422 |
| Stock-based compensation | 3,126 | 2,695 |
| Interest expense, net | 2,642 | 2,070 |
| ERP and ERP related expenditures | 466 | 0 |
| Restructuring charges | 1,938 | 0 |
| Provision for income taxes | 1,049 | 480 |
| Adjusted EBITDA | \$ 8,498 | \$ 6,846 |

GAAP to Adjusted EBITDA FY22

Actual Reconciliation of Net Income (Loss) to Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Stock-Based Compensation (Adjusted EBITDA)

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| \$K | Twelve Months Ended June 30, 2022 |
|---|---|
| GAAP net income (loss) | \$ (5,347) |
| Depreciation and amortization | 5,522 |
| Stock-based compensation | 10,600 |
| Interest expense, net | 8,109 |
| ERP and ERP related expenditures | 594 |
| One-time charge related to debt refinance and convertible exchange | 0 |
| Provision for income taxes | 3,345 |
| Adjusted EBITDA | \$ 22,823 |

GAAP to Adjusted EBITDA FY23 – Forward Looking Guidance

Actual Reconciliation of Net Income (Loss) to Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Stock-Based Compensation (Adjusted EBITDA)

ACCURAY

| \$K | Twelve Months Ended June 30, 2023 | |
|----------------------------------|--------------------------------------|------------|
| | From | To |
| GAAP net income (loss) | \$ (5,500) | \$ (1,500) |
| Depreciation and amortization | 6,300 | 6,300 |
| Stock-based compensation | 11,600 | 11,600 |
| Interest expense, net | 8,000 | 8,000 |
| ERP and ERP related expenditures | 1,600 | 1,600 |
| Restructuring charges | 2,000 | 2,000 |
| Provision for income taxes | 2,000 | 2,000 |
| Adjusted EBITDA | \$ 26,000 | \$ 30,000 |