

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): January 30, 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 2.02 Results of Operations and Financial Condition.

On February 1, 2023, Accuray Incorporated (the “Company”) issued a press release announcing its financial results for the second quarter ended December 31, 2022. A copy of the Company’s press release dated February 1, 2023, titled “Accuray Reports Fiscal 2023 Second Quarter Financial Results” is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The foregoing information (including the exhibit hereto) is being furnished under “Item 2.02 Results of Operations and Financial Condition” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), except as shall be expressly set forth by specific reference in such filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(d) Effective January 30, 2023, the Board of Directors (the “Board”) of the Company appointed Mr. Robert C. Kill as a Class I member of the Company’s Board in order to fill a vacancy on the Board. Mr. Kill is expected to stand for re-election at Company’s 2025 Annual Meeting of Stockholders, when his Class I term will expire.

In connection with his appointment, Mr. Kill will receive the same cash and equity compensation for service on the Board that was approved by the Board. Cash compensation for his Board service is an annual cash retainer of \$52,500.

Mr. Kill’s equity compensation is as follows: (1) in connection with his initial appointment to the Board, a restricted stock unit (“RSU”) grant for that number of shares of the Company’s common stock equal to \$150,000 divided by the fair market value of one share of common stock on the grant date, prorated for the months of service between Mr. Kill’s appointment to the Board and the Company’s next Annual Meeting of Stockholders, with full vesting on the one-year anniversary of the Company’s 2022 Annual Meeting of Stockholders, subject to Mr. Kill’s continued service (the “Initial RSU Grant”); and (2) annually, on the last day of the month in which the Company’s Annual Meeting of Stockholders is held, an RSU grant for the number of shares of the Company’s common stock equal to \$150,000 divided by the fair market value of one share of common stock on the grant date, with full vesting on the one-year anniversary of the Annual Meeting of Stockholders to which the grant relates, subject to Mr. Kill’s continued service (the “Annual RSU Grant”). Vesting of all RSUs subject to the Initial RSU Grant and any Annual RSU Grant thereafter accelerate in full in the event of a change in control of the Company.

There are no arrangements or understandings between Mr. Kill and the Company pursuant to which Mr. Kill was appointed as a director. In addition, there are no related party transactions involving the Company and Mr. Kill that are reportable pursuant to Item 404(a) of Regulation S-K under the Securities Act.

Item 7.01 Regulation FD Disclosure.*Management Presentation*

Spokespersons of the Company plan to present the information in the presentation attached hereto as Exhibit 99.2 to analysts and investors from time to time on or after February 1, 2023. The presentation will be available on the Company’s Investor Relations website at: <http://investors accuray.com>.

The furnishing of the attached presentation is not an admission as to the materiality of any information therein. The information contained in the presentation is summary information that is intended to be considered in the context of more complete information included in the Company’s filings with the U.S. Securities and Exchange Commission and other public announcements that the Company has made and may make from time to time by press release or otherwise. The Company undertakes no duty or obligation to update or revise the information contained in this report. For important information about forward looking statements, see the slide titled “Forward-Looking Statements” in Exhibit 99.2 attached hereto.

The information set forth under Item 2.02 of this Current Report on Form 8-K is incorporated by reference into this Item 7.01.

Press Release

On February 1, 2023, the Company issued a press release regarding the appointment of Mr. Kill to the Board. A copy of this press release is included as Exhibit 99.3 to this Current Report on Form 8-K.

The information contained in this Item 7.01 disclosure, including Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3, is furnished pursuant to Item 7.01 and shall not be deemed to be "filed" for the purposes of Section 18 of 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 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	Press release dated February 1, 2023, titled "Accuray Reports Fiscal 2023 Second Quarter Financial Results"
99.2	Accuray Second Quarter Fiscal 2023 Earnings Call Presentation.
99.3	Press release dated February 1, 2023, titled "Robert C. Kill Joins Accuray Board of Directors"
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: February 1, 2023

By:

/s/ Ali Pervaiz

Ali Pervaiz

Senior Vice President & Chief Financial Officer



Accuray Reports Fiscal 2023 Second Quarter Financial Results

Delivered strong Q2 performance amidst challenging macroenvironment; Reiterate fiscal year guidance

SUNNYVALE, Calif., February 1, 2023 — Accuray Incorporated (NASDAQ: ARAY) today reported financial results for the second quarter of fiscal 2023 ended December 31, 2022.

Second Quarter Fiscal 2023 Summary

- Gross orders of \$79.0 million decreased 7.4 percent from the same period in the prior fiscal year and increased 13.2 percent sequentially, representing a book to bill ratio of greater than 1.2. Gross orders on a constant currency basis were \$82.6 million.
- Net revenue of \$114.8 million decreased 1.3 percent from the same period in the prior fiscal year, mainly driven by supply chain constraints and a \$6.1 million foreign exchange headwind. Net revenue on a constant currency basis was \$120.9 million, which represents a 4.0 percent increase versus the same period in the prior fiscal year.
- GAAP net loss of \$1.9 million, as compared to GAAP net income of \$0.2 million in the same period in the prior fiscal year. Adjusted EBITDA of \$8.5 million, as compared to adjusted EBITDA of \$6.8 million in the same period in the prior fiscal year, which represents a 24.1 percent increase.

Other Recent Operational Highlights

- Accuray receives IMV Award for Best in Service in Radiation Oncology for 2022.
- 34 new system orders globally with notable strength in the America's region with 92 percent year over year growth.
- Advanced progress in China, with Accuray being awarded 18 systems in the November Ministry of Health (MOH) Type A central bidding process (7 CyberKnife Systems, 11 Radixact Systems).
- 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.

“We have delivered another strong quarter of performance in Q2 showcasing the growing customer demand for our precision radiotherapy solutions and the excellent operational execution by the Accuray team amidst challenging macroeconomic conditions,” said Suzanne Winter, Chief Executive Officer. “Our teams remain focused on advancing our innovation driven growth agenda so that we can deliver on our promise to improve the outcome and quality of life of patients diagnosed with cancer or neurological disease.”

Fiscal Second Quarter Results

Total net revenue in the second quarter of fiscal 2023 was \$114.8 million, compared to \$116.3 million in the prior fiscal year second quarter. Product revenue in the second quarter of fiscal 2023 was \$63.3 million, compared to \$60.7 million in the prior fiscal year second quarter, while service revenue for the second quarter of fiscal 2023 was \$51.5 million, compared to \$55.6 million in the prior fiscal year second quarter.

Total gross profit in the second quarter of fiscal 2023 was \$43.0 million, or 37.4 percent of total net revenue, compared to total gross profit of \$42.6 million, or 36.7 percent of total net revenue, in the prior fiscal year second quarter.

Operating expenses in the second quarter of fiscal 2023 were \$40.3 million, including non-recurring charges of \$1.9 million for restructuring charges and \$0.5 million of ERP and ERP related expenditures, compared to \$38.6 million in the prior fiscal year second quarter. Excluding these non-recurring charges, total operating expenses were down 2.0 percent compared to the same period in the prior fiscal year.

Net loss in the second quarter of fiscal 2023 was \$1.9 million, or \$0.02 per share, compared to net income of \$0.2 million, or \$0.00 per share, in the prior fiscal year second quarter. Adjusted EBITDA in the second quarter of fiscal 2023 was \$8.5 million, compared to \$6.8 million in the prior fiscal year second quarter.

Gross product orders in the second quarter of fiscal 2023 totaled \$79.0 million compared to \$85.4 million in the prior fiscal year second quarter. Order backlog as of December 31, 2022 was \$515.2 million, approximately 11.4% percent lower than at the end of the prior fiscal year second quarter. There were no order cancellations in the quarter and \$41.4 million in orders aged out in the quarter as they were more than 30 months in age.

Cash, cash equivalents, and short-term restricted cash were \$67.9 million as of December 31, 2022, a decrease of \$21.0 million from June 30, 2022.

Fiscal Six Months Results

Total net revenue in the six months ended December 31, 2022 was \$211.3 million, compared to \$223.7 million in the same prior fiscal year period. Product revenue for the six months ended December 31, 2022 was \$107.9 million, compared to \$113.5 million in the same prior fiscal year period, while service revenue totaled \$103.4 million, compared to \$110.2 million in the same prior fiscal year period.

Total gross profit in the six months ended December 31, 2022 was \$77.6 million, or 36.7 percent of total net revenue, compared to total gross profit of \$82.2 million, or 36.7 percent of total net revenue in the same prior fiscal year period.

Operating expenses in the six months ended December 31, 2022 were \$77.0 million, including non-recurring charges of \$1.9 million for restructuring charges and \$1.1 million of ERP and ERP related expenditures, compared to \$75.8 million in the same prior fiscal year period. Excluding these non-recurring charges, total operating expenses were down 2.3 percent compared to the same period in prior fiscal year.

Net loss in the six months ended December 31, 2022 was \$7.3 million, or \$0.08 per share, compared to a net loss of \$0.8 million, or \$0.01 per share, in the same prior fiscal year period. Adjusted EBITDA for the six months ended December 31, 2022, was \$10.4 million, compared to \$12.2 million in the same prior fiscal year period.

Gross product orders in the six months ended December 31, 2022 totaled \$148.9 million, compared to \$155.4 million in the same prior fiscal year period. Order backlog as of December 31, 2022 was \$515.2 million, approximately 11.4% percent lower than at the end of same period in the prior fiscal year period.

Fiscal Year 2023 Financial Guidance

Accuray's financial guidance is based on current expectations. The following statements are forward-looking and actual results could differ materially depending on market conditions, the impact of the current global economic environment and the Covid-19 pandemic, supply chain disruption, and the factors set forth under "Safe Harbor Statement" below.

The company is reaffirming guidance for fiscal year 2023 as follows:

- Total revenue is expected in the range of \$447.0 million to \$455.0 million, representing a year-over-year growth at the midpoint of the range of 5 percent.
- Adjusted EBITDA is expected in the range of \$26.0 million to \$30.0 million.

Guidance for non-GAAP financial measures excludes depreciation and amortization, stock-based compensation, interest expense, provision for income taxes, restructuring charges and ERP and ERP related expenditures. For more information

regarding the non-GAAP financial measures discussed in this press release, please see "Use of Non-GAAP Financial Measures" below.

Conference Call Information

Accuray will host a conference call beginning at 1:30 p.m. PT/4:30 p.m. ET today to discuss results for the second quarter of fiscal 2023 as well as recent corporate developments. Conference call dial-in information is as follows:

- U.S. callers: (833) 316-0563
- International callers: (412) 317-5747

Individuals interested in listening to the live conference call via the Internet may do so by logging on to the Investor Relations section of Accuray's website, www accuray.com. There will be a slide presentation accompanying today's event which can also be accessed on the company's Investor Relations page at www accuray.com.

In addition, a taped replay of the conference call will be available beginning approximately one hour after the call's conclusion and will be available for seven days. The replay number is (877) 344-7529 (USA), or (412) 317-0088 (International), Conference ID: 6435845. An archived webcast will also be available on Accuray's website until Accuray announces its results for the third quarter of fiscal 2023.

Use of Non-GAAP Financial Measures

Accuray reports its financial results in accordance with generally accepted accounting principles in the United States (GAAP) and the rules of the SEC. To supplement its financial statements prepared and presented in accordance with GAAP, Accuray uses certain non-GAAP financial measures, such as adjusted EBITDA, gross orders on a constant currency basis and net revenue on a constant currency basis.

Accuray has supplemented its GAAP net income (loss) with a non-GAAP measure of adjusted earnings before interest, taxes, depreciation, amortization and stock-based compensation ("adjusted EBITDA"). The calculation of adjusted EBITDA also excludes certain non-recurring, irregular and one-time items, including restructuring charges and ERP and ERP related expenditures. Management believes that this non-GAAP financial measure provides useful supplemental information to management and investors regarding the performance of the company and facilitates a meaningful comparison of results for current periods with previous operating results. A reconciliation of GAAP net income (loss) (the most directly comparable GAAP measure) to non-GAAP adjusted EBITDA is provided in the schedules below.

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. The GAAP measure most directly comparable to net revenue on a constant currency basis is revenue. 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 not be directly comparable to similarly titled measures used by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for comparable 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.

About Accuray

Accuray Incorporated (Nasdaq: ARAY) is committed to expanding the powerful potential of radiation therapy to improve as many lives as possible. We invent unique, market-changing solutions that are designed to deliver radiation treatments for even the most complex cases—while making commonly treatable cases even easier—to meet the full spectrum of patient needs. We are dedicated to continuous innovation in radiation therapy for oncology, neuro-radiosurgery, and

beyond, as we partner with clinicians and administrators, empowering them to help patients get back to their lives, faster. Accuray is headquartered in Sunnyvale, California, with facilities worldwide.

Safe Harbor Statement

Statements made in this press release 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 press release relate, but are not limited, to the company's future results of operations, including expectations regarding: total revenue and adjusted EBITDA; the effect of the global economic environment and the COVID-19 pandemic on the company and the market in general, including with respect to the company's ability to navigate supply chain, logistics, macroeconomic, and foreign exchange challenges; delivering on the company's growth agenda and executing on strategic partnerships; creating long term value for customers, patients, employees, and shareholders; expectations regarding commercial strategy and execution as well as growth opportunities; the company's order and revenue growth and ability to gain market share; expectations regarding the market in China as well as with respect to the company's China joint venture and other strategic partnerships, including its ability to create solutions that differentiate Accuray from other companies and provide value for patients, providers and shareholders; the company's product pipeline, innovations and developments, including those developed with strategic partners, the company's ability to drive above-market revenue growth in the radiation therapy and services market; and the company's ability to deliver on its promise to improve the outcome and quality of life of patients diagnosed with cancer or neurological disease. These forward-looking statements involve risks and uncertainties. If any of these risk or uncertainties materialize, or if any of the company's assumptions prove incorrect, actual results could differ materially from the results express or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the effect of the global macroeconomic environment, including foreign exchange, and the COVID-19 pandemic on the operations of the company and those of its customers and suppliers; disruptions to our supply chain, including increased logistics costs; the company's ability to achieve widespread market acceptance of its products; the company's ability to realize the expected benefits of the China joint venture and other partnerships; risks inherent in international operations; the company's ability to maintain or increase its gross margins on product sales and services; delays in regulatory approvals or the development or release of new offerings; the company's ability to meet the covenants under its credit facilities; the company's ability to convert backlog to revenue; and such other risks identified under the heading "Risk Factors" in the company's Annual Report on Form 10-Q, filed with the Securities and Exchange Commission (the "SEC") on November 3, 2022 and as updated periodically with the company's 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 the company at the time those statements are made and/or management's good faith belief as of that time with respect to future events. The company 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 put undue reliance on any forward-looking statements.

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Financial Tables to Follow

Accuray Incorporated
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Net revenue:				
Products	\$ 63,269	\$ 60,721	\$ 107,892	\$ 113,480
Services	51,491	55,554	103,361	110,237
Total net revenue	114,760	116,275	211,253	223,717
Cost of revenue:				
Cost of products	39,248	35,520	68,098	67,029
Cost of services	32,545	38,128	65,591	74,537
Total cost of revenue	71,793	73,648	133,689	141,566
Gross profit	42,967	42,627	77,564	82,151
Operating expenses:				
Research and development	14,641	14,697	28,733	29,079
Selling and marketing	13,586	13,233	24,381	24,504
General and administrative	12,035	10,716	23,927	22,176
Total operating expenses	40,262	38,646	77,041	75,759
Income from operations	2,705	3,981	523	6,392
Loss on equity method investment, net	(699)	(832)	(1,067)	(1,172)
Other expense, net	(2,831)	(2,490)	(5,389)	(5,158)
Income (loss) before provision for income taxes	(825)	659	(5,933)	62
Provision for income taxes	1,049	480	1,390	911
Net income (loss)	\$ (1,874)	\$ 179	\$ (7,323)	\$ (849)
Net income (loss) per share - basic	\$ (0.02)	\$ 0.00	\$ (0.08)	\$ (0.01)
Net income (loss) per share - diluted	\$ (0.02)	\$ 0.00	\$ (0.08)	\$ (0.01)
Weighted average common shares used in computing loss per share:				
Basic	94,567	91,761	94,048	91,299
Diluted	94,567	93,932	94,048	91,299

Accuray Incorporated
Condensed Consolidated Balance Sheets
(in thousands)
(Unaudited)

	December 31, 2022	June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 67,729	\$ 88,737
Restricted cash	189	204
Accounts receivable, net	89,187	94,442
Inventories	155,665	142,254
Prepaid expenses and other current assets	23,536	23,794
Deferred cost of revenue	642	1,459
Total current assets	336,948	350,890
Property and equipment, net	11,155	12,685
Investment in joint venture	12,276	13,879
Operating lease right-of-use assets, net	25,334	16,798
Goodwill	57,776	57,840
Intangible assets, net	268	250
Long-term restricted cash	1,293	1,213
Other assets	23,719	19,294
Total assets	\$ 468,769	\$ 472,849
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 33,861	\$ 31,337
Accrued compensation	20,099	29,441
Operating lease liabilities, current	4,913	8,567
Other accrued liabilities	30,301	30,285
Customer advances	17,169	25,290
Deferred revenue	72,675	75,375
Short-term debt	5,702	8,563
Total current liabilities	184,720	208,858
Operating lease liabilities, non-current	22,664	10,453
Long-term other liabilities	5,181	3,748
Deferred revenue, non-current	30,357	24,694
Long-term debt	174,102	171,907
Total liabilities	417,024	419,660
Equity:		
Common stock	95	94
Additional paid-in capital	550,288	543,211
Accumulated other comprehensive income	1,541	2,406
Accumulated deficit	(500,179)	(492,522)
Total equity	51,745	53,189
Total liabilities and equity	\$ 468,769	\$ 472,849

Accuray Incorporated
Summary of Orders and Backlog
(in thousands, except book to bill ratio)
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Gross Orders	\$ 79,035	\$ 85,381	\$ 148,883	\$ 155,365
Net Orders	40,869	40,183	60,439	80,946
Order Backlog	515,236	581,267	515,236	581,267
Book to bill ratio (a)	1.2	1.4	1.4	1.4

(a) Book to bill ratio is defined as gross orders for the period divided by product revenue for the period

Accuray Incorporated
**Reconciliation of GAAP Net Income (Loss) to Adjusted Earnings Before Interest, Taxes, Depreciation,
Amortization and Stock-Based Compensation (Adjusted EBITDA)**
(in thousands)
(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
GAAP net income (loss)	\$ (1,874)	\$ 179	\$ (7,323)	\$ (849)
Depreciation and amortization (a)	1,151	1,422	2,327	2,841
Stock-based compensation	3,126	2,695	6,042	5,211
Interest expense, net (b)	2,642	2,070	4,898	4,106
Provision for income taxes	1,049	480	1,390	911
Restructuring charges	1,938	—	1,938	—
ERP and ERP related expenditures	466	—	1,121	—
Adjusted EBITDA	<u>\$ 8,498</u>	<u>\$ 6,846</u>	<u>\$ 10,393</u>	<u>\$ 12,220</u>

(a) consists of depreciation, primarily on property and equipment as well as amortization of intangibles.

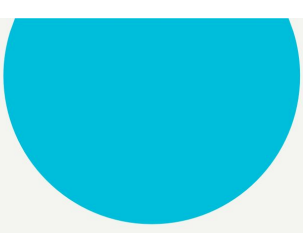
(b) consists primarily of interest expense associated with outstanding debt.

Accuray Incorporated
Forward-Looking Guidance
Reconciliation of Projected Net Income (Loss) to Projected Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Stock-Based Compensation
(Adjusted EBITDA)
(in thousands)
(Unaudited)

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

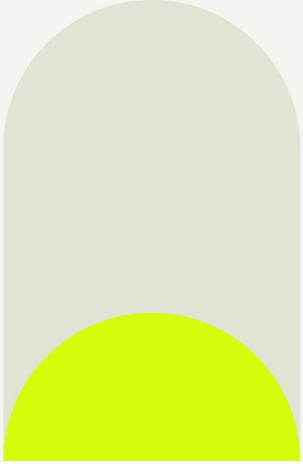
(a) consists of depreciation, primarily on property and equipment as well as amortization of intangibles.

(b) consists primarily of interest expense associated with outstanding debt.



ACCURAY

Q2'FY23 Earnings Call



February 1, 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 our strategic pillars; expectations regarding growing momentum in orders; expectations regarding market growth rates and market trends; expectations regarding new product enhancements or offerings and partnerships; our ability to expand addressable markets; expectations regarding our installed base; expectations related to our China joint venture; and expectations related to our revenue growth and market share going forward. 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: 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 November 3, 2022, 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 Appendix.

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.

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Global Leader in Precision Radiation Therapy

Vision: To expand the curative power of radiation therapy to improve as many lives as possible



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
Milestone Expected
by 1H of 2023

1,000+ Global Employee
Presence¹

Main Manufacturing
Facility Madison, WI

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



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



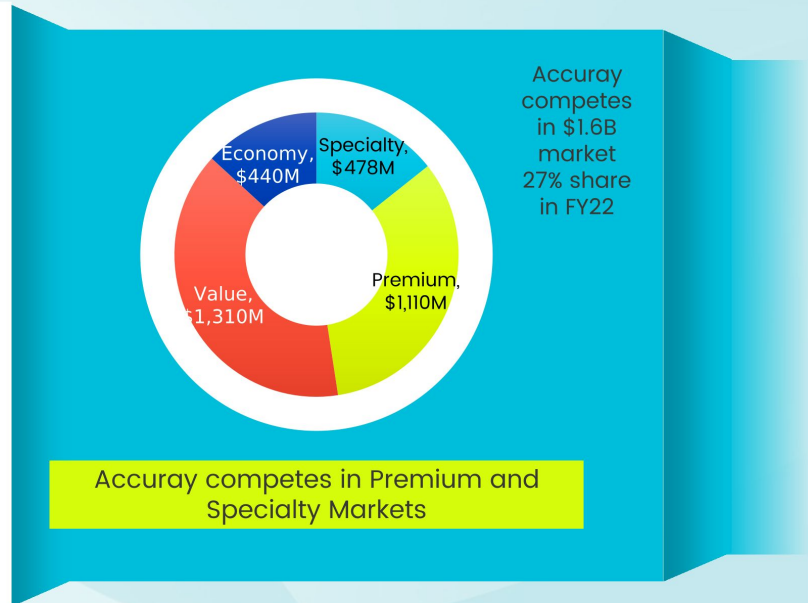
Completed production and testing of the first Tomo C unit in Tianjin manufacturing operations

¹ ccgp.gov.cn; chinabidding.com

Radiation Therapy Market¹

Accuray revenue is growing faster than the market

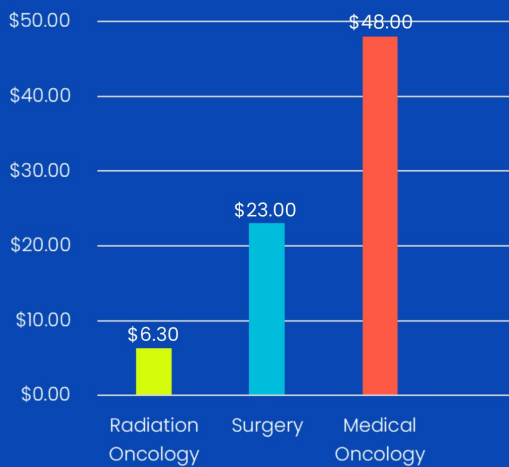
ACCURAY



¹ ReAnin Radiotherapy Market, Global Industry insights and trends 2007-2027.

RT Strongly Positioned for Value-based Care

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



~60%

Cancer patients treated with radiation therapy³



Proven Outcomes



Enhanced Patient Experience



Non-Invasive

1: Dieguez G, Ferro C, Pyenson B.S. A multi-year look at the cost burden of cancer care: Milliman research report. <https://milliman-cdn.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://progressreport.cancer.gov/after/economic_burden (Data as of April 2022)
3: <https://www.cancer.gov/publications/patient-education/radiation-and-you-2021-508.pdf>

ClearRT™: Continued Rapid Adoption of New Standard of Imaging for Radixact® CT-Linac



Highlights

- Helical fan-beam kVCT imaging
- 153 orders and 99 shipments since introduction in Q3'FY21
- ClearRT™ Enhanced Imaging introduced at ASTRO
- Further improves visualization, reduces daily hardware warmup and calibration time



Drive market share through disruptive innovation



Expand service business



Drive margin and profitability initiatives



Transform through strategic partnerships

Q2'FY23 and 1H'FY23 Financials

Strong financial performance

ACCURAY

KEY FINANCIAL METRICS

\$M	Q2	Y/Y	Q2 Y/Y XFX ²	1H	Y/Y	1H Y/Y XFX ²
Gross Orders	\$79.0M	(7%)	(3%)	\$148.9M	(4%)	1%
Revenues	\$114.8M	(1%)	4%	\$211.3M	(6%)	0%
Product	\$63.3M	4%	8%	\$107.9M	(5%)	(1%)
Service	\$51.5M	(7%)	0%	\$103.4M	(6%)	1%
Op. Expenses	\$40.3M	4%		\$77.0M	2%	
R&D	\$14.6M	(0%)		\$28.7M	(1%)	
SG&A	\$25.6M	7%		\$48.3M	3%	
Adj. EBITDA ¹	\$8.5M	24%		\$10.4M	(15%)	

Highlights

- Steady orders performance amidst significant currency fluctuations
- Total Q2 revenue decline of 1% due to supply chain constraints and unfavorable foreign currency fluctuations
- OPEX includes ~\$2M of restructuring charges
- Reaffirming FY23 full year adjusted EBITDA guidance of \$26M to \$30M¹

¹ Adjusted EBITDA is a non-GAAP measure. Please see Slide 14, 15 and 17 for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.

² Percentages shown on a constant currency basis to facilitate period-to-period comparisons without regard to the impact of foreign currency exchange rate fluctuations.

Maintaining FY23 Guidance Communicated August 10, 2022

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\$ in millions
% = YoY Growth

FY22
Actual

FY23
Guidance Range

Revenue

\$429.9M

\$447M - \$455M

+4% - 6%

Adjusted EBITDA¹

\$22.8M

\$26M - \$30M

+14% - 32%

¹ Adjusted EBITDA is a non-GAAP measure. Please see Slides 16 and 17 for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.



Growing momentum with 34 orders in the quarter



Strongest product portfolio and pipeline in company's history



Multiple growth catalysts and global commercial execution



Focused on margin expansion and free cash flow

Positioned for
Long-Term
Revenue Growth
and Market
Share Gain

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

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GAAP to Adjusted EBITDA 1H FY23 and 1H FY22

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

ACCURAY

\$K	Six Months Ended December 31, 2022	Six Months Ended December 31, 2021
GAAP net income (loss)	\$ (7,323)	\$ (849)
Depreciation and amortization	2,327	2,841
Stock-based compensation	6,042	5,211
Interest expense, net	4,898	4,106
ERP and ERP related expenditures	1,121	0
Restructuring charges	1,938	0
Provision for income taxes	1,390	911
Adjusted EBITDA	\$ 10,393	\$ 12,220

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



Robert C. Kill Joins Accuray Board of Directors

SUNNYVALE, Calif., February 1, 2023 – Accuray Incorporated (NASDAQ: ARAY) announced today the appointment of Robert C. Kill to the company's Board of Directors, effective as of January 30, 2023. Mr. Kill is a skilled healthcare executive with more than 30 years' experience transforming various healthcare-related companies.

In his most recent executive position as CEO of Parata Systems, Mr. Kill grew company revenue over 5X during his tenure before it sold last year for more than \$1.5 billion. Before Parata, Mr. Kill was affiliated with two private equity funds, Frazier Healthcare Partners and Altamont Capital Partners, where he focused on various health care portfolio companies. Prior to this, Mr. Kill held executive leadership positions with medical device, healthcare service and healthcare IT companies. He began his career at Baxter Healthcare.

"Rob's public and private company CEO experiences directly align with our organization's strategic focus areas, making him an excellent addition to the Accuray Board of Directors. He has a well-established reputation for driving transformative business results, improving customers' experience and managing key stakeholder relationships on behalf of both large and small companies. We are very excited to have Rob join our board and look forward to his contributions," said Suzanne Winter, President and CEO of Accuray.

"As a healthcare industry veteran, I understand the value that the Accuray radiation therapy technology provides to medical care teams and patients, and I strongly believe there is untapped potential here. I'm looking forward to working with Suzanne, the senior management team and other board members to help create value for all of Accuray's constituents," said Rob Kill.

About Accuray

Accuray is committed to expanding the powerful potential of radiation therapy to improve as many lives as possible. We invent unique, market-changing solutions that are designed to deliver radiation treatments for even the most complex cases—while making commonly treatable cases even easier—to meet the full spectrum of patient needs. We are dedicated to continuous innovation in radiation therapy for oncology, neuro-radiosurgery, and beyond, as we partner with clinicians and administrators, empowering them to help patients get back to their lives, faster. Accuray is headquartered in Sunnyvale, California, with facilities worldwide. To learn more, visit www accuray.com or follow us on Facebook, LinkedIn, Twitter, and YouTube.

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