

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): April 26, 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 April 26, 2023, Accuray Incorporated (the “Company”) issued a press release announcing its financial results for the third quarter ended March 31, 2023. A copy of the Company’s press release dated April 26, 2023, titled “Accuray Reports Fiscal 2023 Third 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 7.01 Regulation FD Disclosure.

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 April 26, 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.

The information contained in this Item 7.01 disclosure, including Exhibit 99.1 and Exhibit 99.2, 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 April 26, 2023, titled “Accuray Reports Fiscal 2023 Third Quarter Financial Results”
99.2	Accuray Third Quarter Fiscal 2023 Earnings Call Presentation
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: April 26, 2023

By:

/s/ Ali Pervaiz

Ali Pervaiz

Senior Vice President & Chief Financial Officer



Accuray Reports Fiscal 2023 Third Quarter Financial Results

Company delivers record quarterly revenue and unit volume in Q3; Reiterates fiscal year guidance

SUNNYVALE, Calif., April 26, 2023 — Accuray Incorporated (NASDAQ: ARAY) today reported financial results for the third quarter of fiscal 2023 ended March 31, 2023.

Third Quarter Fiscal 2023 Summary

- Net revenue of \$118.1 million increased 22.8 percent from the same period in the prior fiscal year. Net revenue on a constant currency basis was \$122.1 million, which represents a 27.0 percent increase versus the same period in the prior fiscal year.
- GAAP net income of \$0.6 million, as compared to GAAP net loss of \$1.0 million in the same period in the prior fiscal year. Adjusted EBITDA of \$8.3 million, as compared to adjusted EBITDA of \$5.4 million in the same period in the prior fiscal year, which represents a 53.5 percent increase.
- Gross orders of \$73.8 million with a 3.0 percent increase in unit volume compared to the same period in the prior fiscal year represented a book to bill ratio of 1.2. Gross orders on a constant currency basis were \$76.7 million.

Other Recent Operational Highlights

- Shipped 30 systems setting a new record of quarterly shipments and 67 percent growth compared to 18 systems shipped in the prior year period.
- Achieved 1,000+ installed system milestone with 4 percent global installed base growth year over year lifted by 31 percent growth of installed systems in China.
- 45 percent global product revenue growth year over year reflects strong customer adoption.
- PACE-A trial data indicates SBRT preserves urinary continence and sexual function better than surgery in men with prostate cancer.

“Accuray delivered strong revenue and EBITDA growth in the third quarter driven by growing global demand for our advanced radiotherapy solutions,” said Suzanne Winter, Chief Executive Officer. “Our teams are laser focused on making meaningful progress against our long-term strategic goals. We believe our investments in technology innovation, focus on operational discipline and strategic partnerships, matched with a best-in-class team, will enable us to transform radiotherapy care and bring value to patients and healthcare providers worldwide.”

Fiscal Third Quarter Results

Total net revenue in the third quarter of fiscal 2023 was \$118.1 million, compared to \$96.2 million in the prior fiscal year third quarter. Product revenue in the third quarter of fiscal 2023 was \$62.8 million, compared to \$43.2 million in the prior fiscal year third quarter, while service revenue for the third quarter of fiscal 2023 was \$55.2 million, compared to \$53.0 million in the prior fiscal year third quarter.

Total gross profit in the third quarter of fiscal 2023 was \$38.7 million, or 32.8 percent of total net revenue, compared to total gross profit of \$34.8 million, or 36.2 percent of total net revenue, in the prior fiscal year third quarter.

Operating expenses in the third quarter of fiscal 2023 were \$36.4 million, including non-recurring charges of \$0.8 million for restructuring charges and \$1.1 million of ERP and ERP related expenditures, compared to \$35.1 million in the prior fiscal year third quarter. Excluding these non-recurring charges, total operating expenses were down 1.5 percent compared to the same period in the prior fiscal year third quarter.

Net income in the third quarter of fiscal 2023 was \$0.6 million, or \$0.01 per share, compared to a net loss of \$1.0 million, or \$0.01 per share, in the prior fiscal year third quarter. Adjusted EBITDA in the third quarter of fiscal 2023 was \$8.3 million, compared to \$5.4 million in the prior fiscal year third quarter.

Gross product orders in the third quarter of fiscal 2023 totaled \$73.8 million compared to \$88.6 million in the prior fiscal year third quarter. Order backlog as of March 31, 2023 was \$506.6 million, approximately 12.7 percent lower than at the end of the prior fiscal year third quarter. In the third quarter of fiscal year 2023, there were \$5.2 million in order cancellations and \$26.4 million in orders aged out as they were more than 30 months in age.

Cash, cash equivalents, and short-term restricted cash were \$89.2 million as of March 31, 2023, an increase of \$21.3 million from December 31, 2022.

Fiscal Nine Months Results

Total net revenue in the nine months ended March 31, 2023 was \$329.3 million, compared to \$319.9 million in the same prior fiscal year period. Product revenue for the nine months ended March 31, 2023 was \$170.7 million, compared to \$156.7 million in the same prior fiscal year period, while service revenue totaled \$158.6 million, compared to \$163.2 million in the same prior fiscal year period.

Total gross profit in the nine months ended March 31, 2023 was \$116.3 million, or 35.3 percent of total net revenue, compared to total gross profit of \$116.9 million, or 36.6 percent of total net revenue in the same prior fiscal year period.

Operating expenses in the nine months ended March 31, 2023 were \$113.4 million, including non-recurring charges of \$2.7 million for restructuring charges and \$2.2 million of ERP and ERP related expenditures, compared to \$110.8 million in the same prior fiscal year period. Excluding these non-recurring charges, total operating expenses were down 2.1 percent compared to the same prior fiscal year period.

Net loss in the nine months ended March 31, 2023 was \$6.7 million, or \$0.07 per share, compared to a net loss of \$1.9 million, or \$0.02 per share, in the same prior fiscal year period. Adjusted EBITDA for the nine months ended March 31, 2023, was \$18.7 million, compared to \$17.7 million in the same prior fiscal year period.

Gross product orders in the nine months ended March 31, 2023 totaled \$222.6 million, compared to \$243.9 million in the same prior fiscal year period. Order backlog as of March 31, 2023 was \$506.6 million, approximately 12.7 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 third 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: 3072079. An archived webcast will also be available on Accuray's website until Accuray announces its results for the fourth 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. The GAAP measure most directly comparable to gross orders on a constant currency basis is gross orders. 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, progressing against long-term strategic goals, and executing on strategic partnerships; the company's ability to transform radiotherapy care and create value for customers, patients, employees, and shareholders; expectations regarding commercial strategy and execution as well as growth opportunities; expectations regarding the market in China as well as with respect to the company's China joint venture and other strategic partnerships, including expected timing of regulatory clearances; expectations related to the markets in which the company operates; the company's ability to accelerate profitability in the long run; the impact of strategic pricing actions on revenue and gross margins; and the company's ability to deliver on its promise to improve the outcome and quality of life of patients. 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 Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission (the "SEC") on February 2, 2023 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 March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Net revenue:				
Products	\$ 62,846	\$ 43,198	\$ 170,738	\$ 156,678
Services	55,214	52,971	158,575	163,208
Total net revenue	118,060	96,169	329,313	319,886
Cost of revenue:				
Cost of products	43,529	28,371	111,627	95,400
Cost of services	35,813	33,014	101,404	107,551
Total cost of revenue	79,342	61,385	213,031	202,951
Gross profit	38,718	34,784	116,282	116,935
Operating expenses:				
Research and development	14,209	14,104	42,942	43,183
Selling and marketing	11,130	10,798	35,511	35,302
General and administrative	11,063	10,174	34,990	32,350
Total operating expenses	36,402	35,076	113,443	110,835
Income (loss) from operations	2,316	(292)	2,839	6,100
Income on equity method investment, net	2,027	1,946	960	774
Other expense, net	(3,222)	(2,293)	(8,611)	(7,451)
Income (loss) before provision for income taxes	1,121	(639)	(4,812)	(577)
Provision for income taxes	522	407	1,912	1,318
Net income (loss)	\$ 599	\$ (1,046)	\$ (6,724)	\$ (1,895)
Net income (loss) per share - basic	\$ 0.01	\$ (0.01)	\$ (0.07)	\$ (0.02)
Net income (loss) per share - diluted	\$ 0.01	\$ (0.01)	\$ (0.07)	\$ (0.02)
Weighted average common shares used in computing loss per share:				
Basic	95,522	92,761	94,532	91,780
Diluted	97,455	92,761	94,532	91,780

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

	March 31, 2023	June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 89,057	\$ 88,737
Restricted cash	189	204
Accounts receivable, net	77,350	94,442
Inventories	150,581	142,254
Prepaid expenses and other current assets	25,455	23,794
Deferred cost of revenue	283	1,459
Total current assets	342,915	350,890
Property and equipment, net	11,722	12,685
Investment in joint venture	12,217	13,879
Operating lease right-of-use assets, net	24,408	16,798
Goodwill	57,807	57,840
Intangible assets, net	257	250
Long-term restricted cash	1,604	1,213
Other assets	24,790	19,294
Total assets	\$ 475,720	\$ 472,849
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 28,647	\$ 31,337
Accrued compensation	21,434	29,441
Operating lease liabilities, current	4,009	8,567
Other accrued liabilities	36,811	30,285
Customer advances	22,078	25,290
Deferred revenue	73,137	75,375
Short-term debt	5,713	8,563
Total current liabilities	191,829	208,858
Operating lease liabilities, non-current	22,466	10,453
Long-term other liabilities	4,643	3,748
Deferred revenue, non-current	29,245	24,694
Long-term debt	172,832	171,907
Total liabilities	421,015	419,660
Equity:		
Common stock	96	94
Additional paid-in capital	551,847	543,211
Accumulated other comprehensive income	2,342	2,406
Accumulated deficit	(499,580)	(492,522)
Total equity	54,705	53,189
Total liabilities and equity	\$ 475,720	\$ 472,849

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
Gross Orders	\$ 73,764	\$ 88,561	\$ 222,647	\$ 243,926
Net Orders	54,737	43,542	115,176	124,488
Order Backlog	506,587	580,428	506,587	580,428
Book to bill ratio (a)	1.2	2.1	1.3	1.6

(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 March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022
GAAP net income (loss)	\$ 599	\$ (1,046)	\$ (6,724)	\$ (1,895)
Depreciation and amortization (a)	1,103	1,406	3,430	4,247
Stock-based compensation	1,559	2,695	7,601	7,906
Interest expense, net (b)	2,707	1,975	7,605	6,081
Provision for income taxes	522	407	1,912	1,318
Restructuring charges	800	—	2,738	—
ERP and ERP related expenditures	1,057	—	2,178	—
Adjusted EBITDA	<u>\$ 8,347</u>	<u>\$ 5,437</u>	<u>\$ 18,740</u>	<u>\$ 17,657</u>

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

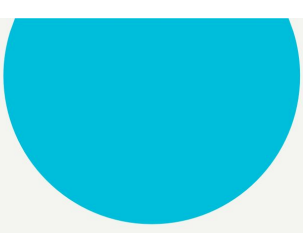
(b) consists primarily of interest expense associated with outstanding debt.

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	\$ (7,000)	\$ (3,000)
Depreciation and amortization (a)	4,500	4,500
Stock-based compensation	10,200	10,200
Interest expense, net (b)	10,000	10,000
Provision for income taxes	2,400	2,400
Restructuring charges	2,700	2,700
ERP and ERP related expenditures	3,200	3,200
Adjusted EBITDA	\$ 26,000	\$ 30,000

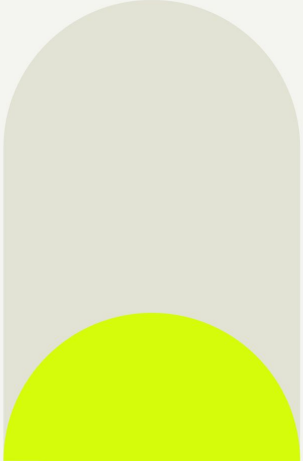
(a) consists of depreciation, primarily on property and equipment as well as amortization of intangibles.

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



ACCURAY

Q3'FY23 Earnings Call



April 26, 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 areas of focus; expectations regarding market growth rates and market trends; 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 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 Appendix.

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.

Global Leader in Precision Radiation Therapy

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

 <p>Systems Installed in Over 60 Countries</p>	<p>14% R&D Spend In FY22²</p> <p>417 Patents In Portfolio¹</p>	<p>Key FY22 Financials</p> <p>\$430M Total Revenue</p> <p>22% YOY Product Revenue Growth</p>
 <p>2 Precision Platforms</p>	<p>1,000+ Installed Base Achieved in March of 2023</p>	<p>Main Manufacturing Facility Madison, WI</p>
<p>1,000+ Global Employee Presence¹</p>		

1: As of April 19, 2023
2: Estimated percentage of revenue invested into R&D



Suzanne Winter
President and CEO



Ali Pervaiz
Senior Vice President,
Chief Financial Officer



Sandeep Chalke
Senior Vice President,
Chief Commercial
Officer



Seth Blacksbury
Senior Vice President,
Chief Medical Officer



Jesse Chew
Senior Vice President,
Chief Legal Officer



Mike Hoge
Senior Vice President,
Global Operations



Patrick Spine
Senior Vice President,
Chief Administrative
Officer



Jim Dennison
Senior Vice President,
Global Quality &
Regulatory Affairs



Shipped 30 systems setting a new record of quarterly shipments and 67% growth compared to 18 systems shipped in the prior year period



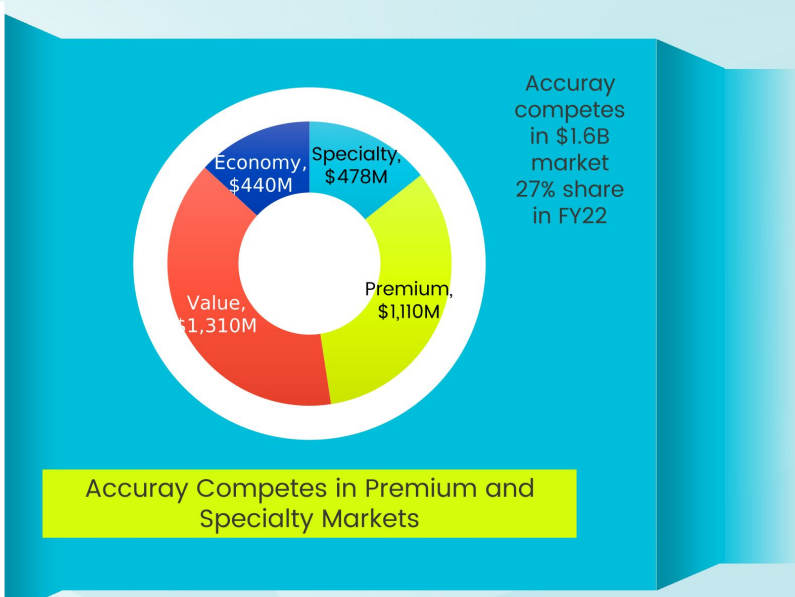
Achieved 1,000+ installed system milestone with 4% global installed base growth YOY lifted by 31% growth of installed systems in China



45% global product revenue growth YOY reflects strong customer adoption



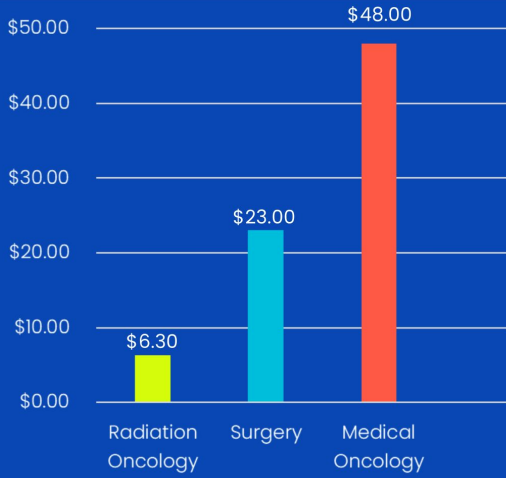
PACE-A trial data indicates SBRT preserves urinary continence and sexual function better than surgery in men with prostate cancer



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

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-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>



Drive market share through disruptive innovation



Expand service business



Drive margin and profitability initiatives



Transform through strategic partnerships

Q3'FY23 Financials

Strong financial performance

ACCURAY

KEY FINANCIAL METRICS

\$M	Q3	Y/Y	Y/Y XFX ²	YTD	Y/Y	YTD Y/Y XFX ²
Revenues	\$118.1M	23%	27%	\$329.3M	3%	8%
Product	\$62.8M	45%	50%	\$170.7M	9%	13%
Service	\$55.2M	4%	8%	\$158.6M	(3%)	3%
Op. Expenses	\$36.4M	4%		\$113.4M	2%	
R&D	\$14.2M	1%		\$42.9M	(1%)	
SG&A	\$22.2M	6%		\$70.5M	4%	
Adj. EBITDA	\$8.3M	54%		\$18.7M	6%	



Highlights

- Revenue growth of 23% with record shipments for the quarter amidst continuing FX challenges
- OPEX includes \$1M of SAP implementation related spend and \$800k of restructuring charges
- Reaffirming FY23 full year revenue guidance of \$447M to \$455M and adjusted EBITDA guidance of \$26M to \$30M¹

¹ Adjusted EBITDA is a non-GAAP measure. Please see Slides 13, 14 and 16 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

ACCURAY

\$ 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 15 and 16 for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.



23% growth in revenue and 54% growth in adjusted EBIDTA in Q3'FY23



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 Q3 FY23 and Q3 FY22

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

ACCURAY

\$K	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
GAAP net income (loss)	\$ 599	\$ (1,046)
Depreciation and amortization	1,103	1,406
Stock-based compensation	1,559	2,695
Interest expense, net	2,707	1,975
ERP and ERP related expenditures	1,057	0
Restructuring charges	800	0
Provision for income taxes	522	407
Adjusted EBITDA	\$ 8,347	\$ 5,437

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GAAP to Adjusted EBITDA YTD Q3 FY23 and YTD Q3FY22

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

ACCURAY

\$K	Nine Months Ended March 31, 2023	Nine Months Ended March 31, 2022
GAAP net income (loss)	\$ (6,724)	\$ (1,895)
Depreciation and amortization	3,430	4,247
Stock-based compensation	7,601	7,906
Interest expense, net	7,605	6,081
ERP and ERP related expenditures	2,178	0
Restructuring charges	2,738	0
Provision for income taxes	1,912	1,318
Adjusted EBITDA	\$ 18,740	\$ 17,657

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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)

ACCURAY

\$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)	\$ (7,000)	\$ (3,000)
Depreciation and amortization	4,500	4,500
Stock-based compensation	10,200	10,200
Interest expense, net	10,000	10,000
ERP and ERP related expenditures	3,200	3,200
Restructuring charges	2,700	2,700
Provision for income taxes	2,400	2,400
Adjusted EBITDA	\$ 26,000	\$ 30,000