

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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): **September 16, 2015**

**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 94089**

(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: **(408) 716-4600**

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))

**Item 7.01. Regulation FD Disclosure**

Joshua Levine, President and Chief Executive Officer of Accuray Incorporated (the "Company") and Kevin Waters, Senior Vice President and Chief Financial Officer of the Company, will be meeting with investors during the Morgan Stanley Healthcare Conference on September 17, 2015 and intend to refer to the management presentation slides, attached hereto as Exhibit 99.1, which include a reiteration of the Company's fiscal 2016 guidance. Representatives of the Company may also use the slides in additional presentations to investors and analysts from time to time.

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.

| <b>Number</b> | <b>Description</b>   |
|---------------|--|
| 99.1          | Management presentation slides of Accuray Incorporated, dated September 2015 |

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 hereunto duly authorized.

**ACCURAY INCORPORATED**

Dated: September 16, 2015

By: \_\_\_\_\_  
/s/ Kevin Waters  
Kevin Waters  
*Senior Vice President, Chief Financial Officer*

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**EXHIBIT INDEX**

| <u>Number</u> | <u>Description</u>   |
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# Accuray Incorporated

JOSH LEVINE PRESIDENT AND CEO  
MORGAN STANLEY HEALTHCARE CONFERENCE  
SEPTEMBER 2015

NASDAQ: ARAY

# Forward Looking Statements

## 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 the size and growth of the global market for radiation therapy systems, market position of our products, product roadmap, and our business opportunities and focus, including strategies for commercial execution, product positioning, customer accounts and emerging markets, and our expected financial results for the first quarter and full fiscal year 2016. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from expectations, including but not limited to: the extent of market acceptance for the company's products and services; the company's ability to convert backlog to revenue; the success of its worldwide sales and marketing efforts; the ability to control operating expenses; continuing uncertainty in the global economic environment; potential differences between the Company's preliminary financial analysis and the final results for the applicable period as a result of the completion of internal reporting process and review, and other risks detailed under the heading "Risk Factors" in the company's report on Form 10-K for fiscal 2015, filed on August 28, 2015 and as updated from time to time in our other filings with the Securities and Exchange Commission.

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.

This presentation also contains non-GAAP financial information. 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 more meaningful comparison of results for current periods with previous operating results. Additionally, it will assist management in analyzing future trends, making strategic and business decisions and establishing internal budgets and forecasts. A reconciliation is available in the Appendix.

# Accuray Incorporated

## Growth Strategy Execution

- Large and growing radiation therapy market
- Uniquely differentiated technology that leads the market in dosing precision
- Products positioned in fastest growth segments
- Roadmap to maintain precision leadership
- Improving commercial execution
- Driving to sustained profitability





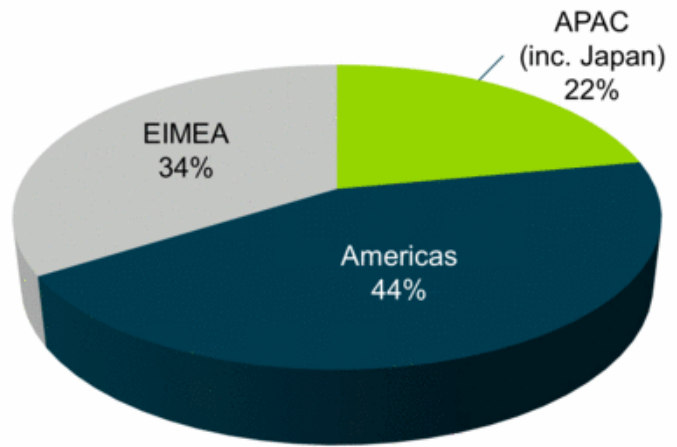
# Large and Growing Market

## Radiation Therapy is Integral to Cancer Treatment

- Worldwide incidences of cancer are estimated to reach 17 million by 2017
  - Driven by growth of aging population
- 90% of all cancers are projected to be solid tumors
  - Potentially eligible for radiation therapy
- 60% of cancer patients worldwide may undergo some form of radiation therapy during their course of treatment
  - Increasing preference for non-surgical treatment options

### Radiation Therapy Revenue (Global)\*

\$3.5 billion in 2014



\*Does not include software, proton or brachytherapy

Expected market growth of 3%-5% in constant currency for 2015

Source: Comparative data is based upon information gathered from Fiscal year filings (Varian, Elekta, Accuray); Internal estimates for revenue growth forecast and regional breakdown; Radiation Therapy Equipment-A Global Strategic Business Report (Nov 2013).

# Uniquely Differentiated Technology

## Architecture, Imaging and Delivery

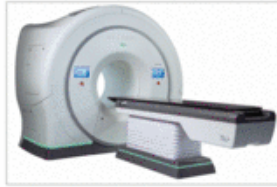
### CyberKnife®



- Robotic architecture
- Continual imaging throughout treatment
- Automatically tracks and adjusts beam for tumor movement

Sub-millimeter precision  
Avoids healthy tissue

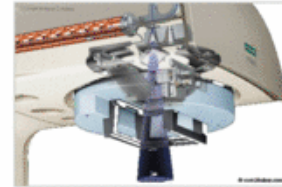
### TomoTherapy®



- CT scanner-based; ring gantry platform
- Daily, low-dose 3D CT scan
- Fast MLC delivers thousands of "beamlets" with continuous 360° rotation

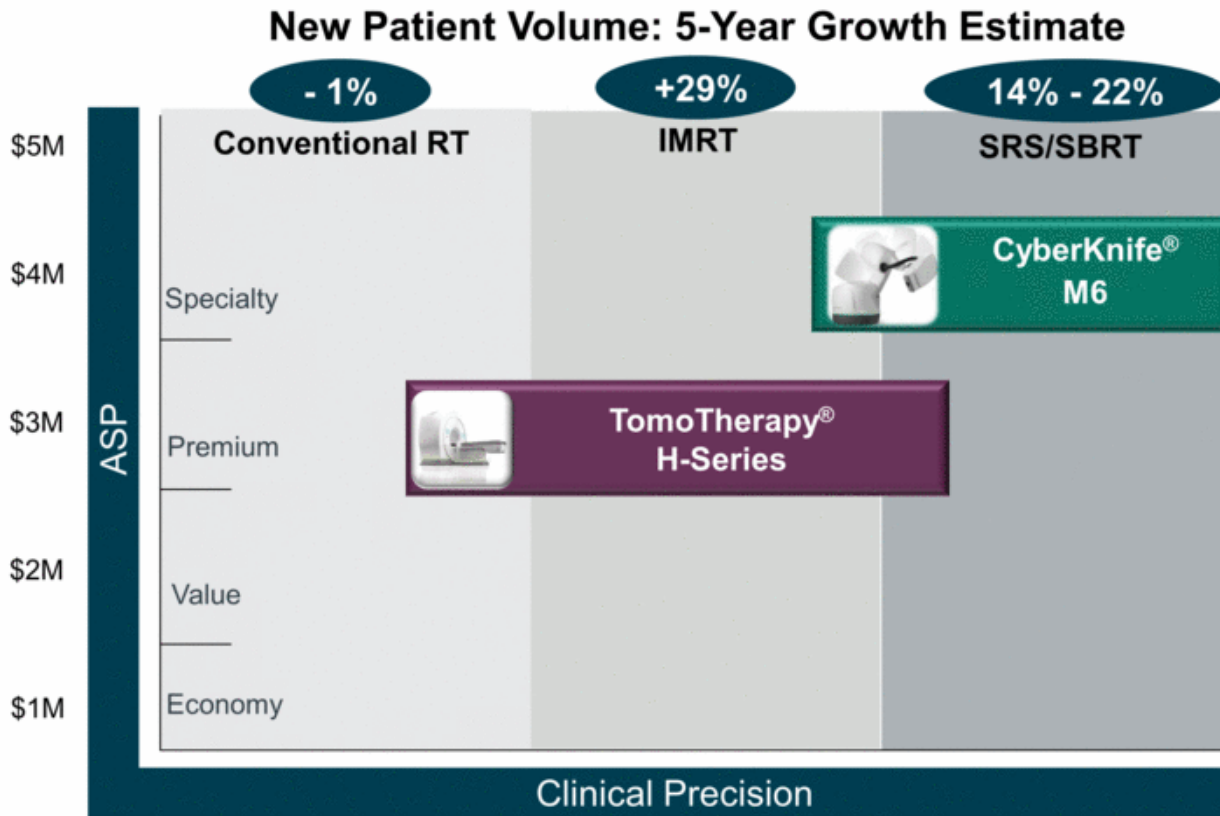
Conforms to tumor shape  
Avoids healthy tissue

### Conventional LINAC



- C-arm based; standard gantry platform
- User discretion and intervention to image
- Slow MLC, combined with fewer delivery angles, limits ability to conform radiation beam to shape of tumor

# Products Positioned in Growth Segments



\*Source: U.S. data. The Advisory Board Company, five-year growth projection.



# Improving Commercial Execution

## The Vital Few

- 1 Accelerate TomoTherapy® mainstream product positioning
- 2 Broaden CyberKnife® clinical versatility around MLC
- 3 Grow GPO/strategic accounts portfolio to improve U.S. commercial momentum
- 4 Expand China commercial growth strategy
- 5 Focus on installed base satisfaction



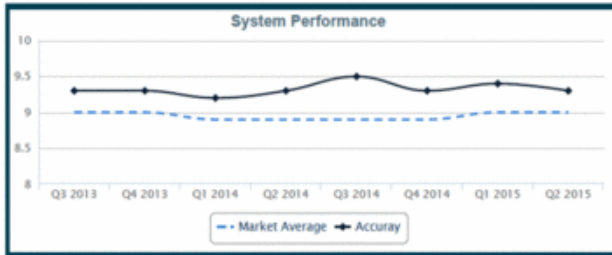
# Improving Commercial Execution

## Accelerate TomoTherapy® Mainstream Product Positioning

Improvements in Performance and Reliability<sup>1</sup>

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Opportunities in Single and Multi Vault Facilities (U.S.)



| Type      | Cancer <sup>2</sup> | TomoTherapy® Share <sup>3</sup> |
|-----------|---------------------|---------------------------------|
| 3+ vaults | 345                 | 25%                             |
| 2 vaults  | 736                 | 8%                              |
| 1 vault   | 1,219               | 4%                              |
| Total     | 2,300               | 9%                              |

“Customers report the system is user-friendly and highly reliable. Downtimes are rare.”  
*MD Buyline Q2 2015*

1. MD Buyline Market Intelligence Briefing™ Q2 2015.  
 2. Estimates based on U.S. IMV 2012/13 Radiation Therapy Market Summary Report, July 2013.  
 3. Internal Accuray information (July 2015).

# Commercialization of our InCise™ MLC for the CyberKnife® System



## Site Feedback Highlights MLC Stability, Reliability and Accuracy

| Case Type    | Treatment Type | MLC Treatment Times | Fixed/Iris Treatment Times |
|--------------|----------------|---------------------|----------------------------|
| Intracranial | SRS            | 22 min              | ~ 51 min                   |
|              | SRS            | 30 min              | ~ 90 min                   |
|              | IMRT           | 17 min              |                            |
|              | IMRT           | 20 min              |                            |
| Prostate     | SBRT           | 25 min              | ~ 40 min                   |
|              | SBRT           | 18 min              | ~ 26 min                   |
|              | IMRT           | 29 min              | ~ 49 min                   |
| Lung         | SBRT           | 19 min              |                            |

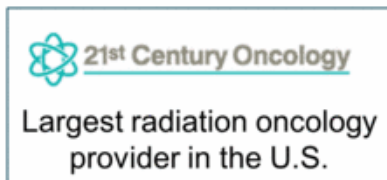
“Reduction in integral dose, due to increased conformity per beam”  
*(Medical physicist at MLC site)*

“No MLC errors experienced in six [clinical] cases.  
**Rock solid performance**”  
*(Medical physicist at MLC site. Six patients had been treated at the time of quote)*

Treatment times reported by customers for clinical cases delivered to patients. Includes setup and delivery time.  
 (Treatment times reported by MultiPlan® planning station for equivalent fixed/Iris plan. Includes estimated setup time.)

# Improving Commercial Execution

## Grow GPO/Strategic Accounts



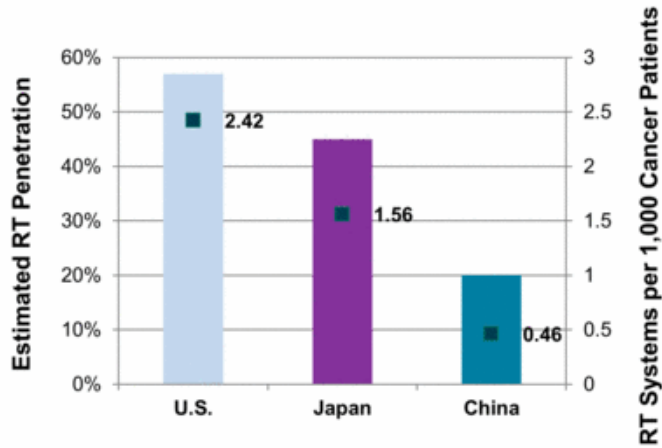
### Highlights

- GPO's
  - Three system orders that went to Q4 backlog placed by hospitals affiliated with our GPO partners
  - 30% of system upgrades in fiscal 2015 were GPO sourced
- 21<sup>st</sup> Century
  - Multi-system order for 1 CyberKnife and 4 TomoTherapy Systems in Q1 FY16
  - Visible progress related to our strategic account selling focus

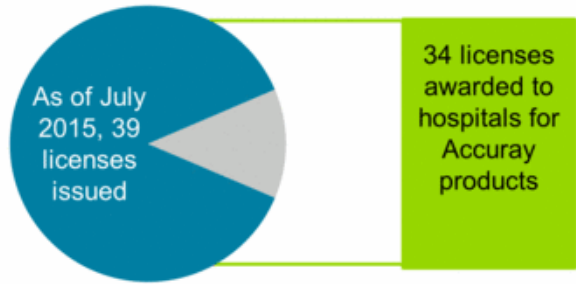
# China Commercial Opportunity

## Progress to date on growth strategy

Significant growth opportunity based on low penetration and growing demand



Accuray winning market share in class A licenses



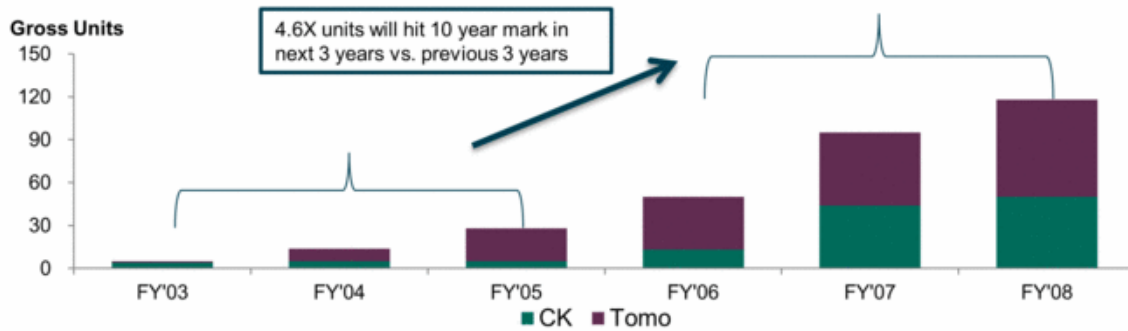
China LINAC demand at 50% treatment of newly diagnosed cases: 5,000 units

\*Includes LINAC and cobalt units. Information accessed on 7/31/2015 <http://www-naweb.iaea.org/nahu/dirac/query3.asp>.



# Installed Base Focus

## Significant New Order Opportunity



- Most radiation therapy systems are replaced in 10 years
- Aging installed base provides significant new order opportunity
- Installed base customer satisfaction critical to achieving replacement wins is highest ever

# Q4 FY15 Performance Update

## Executing on the Transformation

- Gross orders of \$85M grow 14% (20% constant currency)
- Revenues of \$102M consistent with prior year (grow 5% constant currency)
- Gross margins of 40% (42% constant currency), up 210 bps over prior year
  - Product gross margins of 43%
  - Service gross margins of 36%
- Adjusted EBITDA of \$6.7 million (\$9.7M constant currency)

A reconciliation of aEBITDA to GAAP net income/(loss) can be found in the appendix

# Driving to Sustained Profitability

| (in millions)           | FY2013    | FY2014   | -----FY2015----- |                   |
|-------------------------|-----------|----------|------------------|-------------------|
|                         |           |          | As Reported      | Constant Currency |
| <b>Total Revenue</b>    | \$316.0   | \$369.4  | \$379.8          | \$394.1           |
| <b>Gross profit</b>     | \$97.6    | \$142.8  | \$145.4          | \$156.9           |
| <b>Margin</b>           | 30.9%     | 38.7%    | 38.3%            | 39.8%             |
| <b>Operating Income</b> | (\$80.7)  | (\$18.1) | (\$19.2)         | (\$10.4)          |
| <b>Net Income</b>       | (\$103.2) | (\$35.4) | (\$40.2)         | (\$28.9)          |
| <b>aEBITDA (2)</b>      | (\$55.7)  | \$13.3   | \$11.8           | \$23.0            |

Committed to profitable revenue growth from expanding margins and controlled operating expenses

- (1) Currency fluctuations in FY2015 negatively impacted Revenues and Operating Income by approximately \$14M and \$9M respectively
- (2) A reconciliation of aEBITDA to GAAP net income/(loss) can be found in the appendix

# Fiscal Year 2016 Outlook

## Focus on Growth and Profitability

|              |  |
|--------------|--|
| Gross Orders | <u>\$295M</u> or 10% YoY growth  |
| Age-Outs     | 1) YoY decrease in age-outs as percent of average backlog<br>2) Significant variability on a quarterly basis<br>3) Q1 FY16 expected to be between <u>\$20M - \$23M</u> |
| Revenue      | <u>\$395M to \$410M</u> or 4% to 8% YoY growth   |
| aEBITDA      | <u>\$25M to \$35M</u> or 112% to 197% YoY growth   |

GAAP Operating Income anticipated at the upper end of EBITDA guidance range

- (1) FY2016 Guidance as presented on Q4 earnings release dated August 20, 2015 and reiterated September 16, 2015
- (2) A reconciliation of aEBITDA to GAAP net income/(loss) can be found in the appendix



Precise, innovative tumor treatments™





# Appendix

# aEBITDA Reconciliation: Non-GAAP

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

(In thousands)  
(Unaudited)

|                                 | <b>Twelve Months Ending June</b> |                  |
|---------------------------------|----------------------------------|------------------|
|                                 | <b>30, 2016</b>                  |                  |
|                                 | <b>From</b>                      | <b>To</b>        |
| GAAP net loss                   | \$ (29,200)                      | \$ (19,300)      |
| Amortization of intangibles (a) | 7,950                            | 7,950            |
| Depreciation (b)                | 10,850                           | 10,850           |
| Stock-based compensation (c)    | 15,100                           | 15,100           |
| Interest expense, net (d)       | 17,300                           | 17,300           |
| Provision for income taxes      | 3,000                            | 3,100            |
| Adjusted EBITDA                 | <u>\$ 25,000</u>                 | <u>\$ 35,000</u> |

(a) consists of amortization of intangibles - developed technology

(b) consists of depreciation, primarily on property and equipment

(c) consists of stock-based compensation in accordance with ASC 718

(d) consists primarily of interest income from available-for-sale securities and interest expense associated with our convertible notes

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# aEBITDA Reconciliation: Non-GAAP

**Accuray Incorporated**  
**Reconciliation of GAAP net loss to Adjusted Earnings Before Interest, Taxes, Depreciation,**  
**Amortization and Stock-Based Compensation (Adjusted EBITDA)**  
(In thousands)  
(Unaudited)

|                                 | <b>Three Months Ended June</b> |                 | <b>Years Ended June 30,</b> |                  |
|---------------------------------|--------------------------------|-----------------|-----------------------------|------------------|
|                                 | <b>2015</b>                    | <b>2014</b>     | <b>2015</b>                 | <b>2014</b>      |
| GAAP net loss                   | \$ (5,600)                     | \$ (9,809)      | \$ (40,209)                 | \$ (35,448)      |
| Amortization of intangibles (a) | 1,989                          | 1,989           | 7,954                       | 8,380            |
| Depreciation (b)                | 2,640                          | 3,029           | 11,539                      | 12,184           |
| Stock-based compensation (c)    | 3,426                          | 3,070           | 13,930                      | 11,313           |
| Interest expense, net (d)       | 4,096                          | 3,746           | 16,158                      | 13,759           |
| Provision for income taxes      | 108                            | 473             | 2,419                       | 3,088            |
| Adjusted EBITDA                 | <u>\$ 6,659</u>                | <u>\$ 2,498</u> | <u>\$ 11,791</u>            | <u>\$ 13,276</u> |

(a) consists of amortization of intangibles - developed technology and distributor licenses

(b) consists of depreciation, primarily on property and equipment

(c) consists of stock-based compensation in accordance with ASC 718

(d) consists primarily of interest income from available-for-sale securities and interest expense associated with our convertible notes

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