

**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): **October 29, 2014**

**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 2.02. Results of Operations and Financial Condition.**

On October 29, 2014, Accuray Incorporated (the "Company") issued a press release announcing its financial results for the quarter ended September 30, 2014. A copy of the Company's press release dated October 29, 2014, titled "Accuray Reports Financial Results for First Quarter of Fiscal Year 2015" 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, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Number</b> | <b>Description</b>   |
|---------------|--|
| 99.1          | Press Release dated October 29, 2014, titled "Accuray Reports Financial Results for First Quarter of Fiscal Year 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: October 29, 2014

By: \_\_\_\_\_  
/s/ Alaleh Nouri  
Alaleh Nouri  
*Senior Vice President, General Counsel &  
Corporate Secretary*

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**EXHIBIT INDEX**

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|---------------|--|
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### Accuray Reports Financial Results for First Quarter of Fiscal Year 2015

SUNNYVALE, Calif., October 29, 2014 — Accuray Incorporated (Nasdaq: ARAY) announced today financial results for the first fiscal quarter ended September 30, 2014.

#### First Quarter Highlights

- Gross orders of \$58.8 million
- Total revenue of \$82.4 million, an increase of 7% from the first fiscal quarter 2014
- Second evaluation unit Incise™ multi-leaf collimator installed for CyberKnife® M6™ Series System
- Exclusive three-year group purchasing agreement signed with Premier, Inc., covering the CyberKnife M6 and TomoTherapy® HDA™ product portfolios

“While our quarterly revenue results of \$82.4 million were within the range of our financial guidance, gross product orders of \$58.8 million were disappointing but not unexpected given the prior year comps. Gross product orders are expected to be strong in the second half of this fiscal year driven by the release of licenses in China and the likely commercial release of the Incise multi-leaf collimator for our CyberKnife M6 System,” said Joshua H. Levine, president and chief executive officer of Accuray. “While we are not giving orders guidance, we expect order growth to improve as the year progresses and on a full year-over-year comparison we expect to be at a substantially higher growth rate than the overall market.”

#### Financial Highlights

Total revenue reached \$82.4 million, representing an increase of 7% from the prior fiscal year first quarter. The Americas region total revenues were \$38.5 million, a decrease of 2%. Total revenues outside the Americas region were \$43.9 million, an increase of 17%. Product revenues totaled \$33.0 million and represented an increase of 12% from the prior fiscal year first quarter while service revenues totaled \$49.4 million, an increase of 5% over the prior fiscal year first quarter.

Total gross profit of \$27.8 million represents an increase of 5% from the prior fiscal year first quarter. Total gross profit margin was 33.7%, comprised of product gross margin of 37.4% and service gross margin of 31.3%. This compares to total gross margin of 34.5%, product gross margin of 37.1% and service gross margin of 33.0% for the prior fiscal year first quarter. Service margins were below expectations due to field service spending.

Operating expenses were \$43.1 million, reflecting an increase of 11% compared with \$38.8 million in the prior fiscal year first quarter. Notably, selling and marketing expenses increased 24% against the prior fiscal year first quarter due to the growth and compensation of the sales force that occurred in the prior fiscal year and expenditures related to the ASTRO conference.

Net loss was \$21.7 million, or \$0.28 per share for the first quarter of fiscal 2015, compared to a net loss of \$15.5 million, or \$0.21 per share for the prior fiscal year first quarter.

Adjusted EBITDA loss for the first quarter of 2015 was \$8.5 million, compared to a loss of \$3.8 million in the prior fiscal year first quarter.

Cash, cash equivalents, and investments were \$152.7 million as of September 31, 2014, a decrease of \$19.2 million from June 30, 2014.

#### 2015 Financial Guidance

Accuray reaffirmed its financial guidance for fiscal year 2015 on total revenue of \$390 million to \$410 million and adjusted EBITDA of \$18 million to \$27 million.

This financial guidance is unchanged from that provided on August 21, 2014.

#### Earnings Call Open to Investors

Accuray will host an investment community conference call beginning at 1:30 p.m. PT/4:30 p.m. ET today to discuss results and answer questions. Conference call dial-in information is as follows:

- U.S. callers: (800) 706-7741
- International callers: (617) 614-3471
- Conference ID Number (U.S. and international): 71475380

Individuals interested in listening to the live conference call via the Internet may do so by logging on to the company’s website, [www.accuray.com](http://www.accuray.com). The webcast will be available on the company’s web site for 14 days following the completion of the call. In addition, a dial-up replay of the conference call will be available beginning October 29, 2014 at 5:00 p.m. PT/8:00 p.m. ET and ending November 5, 2014. The replay telephone number is 1-888-286-8010 (USA) or 1-617-801-6888 (International), Conference ID: 33081968.

## Use of Non-GAAP Financial Measures

The company has supplemented its GAAP net loss with a non-GAAP measure of adjusted earnings before interest, taxes, depreciation, amortization and stock-based compensation (“adjusted EBITDA”). 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 of GAAP net loss (the most directly comparable GAAP measure) to non-GAAP adjusted EBITDA is provided in the schedule below.

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There are limitations in using this non-GAAP financial measure because it is not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. This non-GAAP financial measure 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 and the reconciliations of the non-GAAP financial measure provided in the schedule below.

### About Accuray

Accuray Incorporated (Nasdaq: ARAY) is a radiation oncology company that develops, manufactures and sells precise, innovative treatment solutions that set the standard of care with the aim of helping patients live longer, better lives. The company’s leading-edge technologies deliver the full range of radiation therapy and radiosurgery treatments. For more information, please visit [www.accuray.com](http://www.accuray.com).

### 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 management’s expectations regarding growth in gross orders, revenues and adjusted EBITDA, and Accuray’s leadership position in radiation oncology innovation and technologies. 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 company’s ability to convert backlog to revenue; the success of its worldwide sales and marketing efforts; the success of the adoption of our CyberKnife and TomoTherapy Systems; the extent of market acceptance for the company’s products and services; the company’s ability to manage its expenses; continuing uncertainty in the global economic environment; and other risks detailed from time to time under the heading “Risk Factors” in the company’s report on Form 10-K, which was filed on August 29, 2014, and 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

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|  | Three Months Ended |             |
|--|--------------------|-------------|
|  | September 30,      |             |
|  | 2014               | 2013        |
| Gross Orders                           | \$ 58,763          | \$ 63,398   |
| Net Orders                             | 32,282             | 60,063      |
| Order Backlog                          | 364,007            | 347,825     |
| Net revenue:                           |                    |             |
| Products                               | \$ 33,015          | \$ 29,568   |
| Services                               | 49,366             | 47,073      |
| Total net revenue                      | 82,381             | 76,641      |
| Cost of revenue:                       |                    |             |
| Cost of products                       | 20,665             | 18,601      |
| Cost of services                       | 33,915             | 31,562      |
| Total cost of revenue                  | 54,580             | 50,163      |
| Gross profit                           | 27,801             | 26,478      |
| Operating expenses:                    |                    |             |
| Research and development               | 14,149             | 12,950      |
| Selling and marketing                  | 17,974             | 14,454      |
| General and administrative             | 10,950             | 11,360      |
| Total operating expenses               | 43,073             | 38,764      |
| Loss from operations                   | (15,272)           | (12,286)    |
| Other expense, net                     | (5,461)            | (2,460)     |
| Loss before provision for income taxes | (20,733)           | (14,746)    |
| Provision for income taxes             | 917                | 787         |
| Net loss                               | \$ (21,650)        | \$ (15,533) |

|  |           |           |
|--|-----------|-----------|
| Net loss per share - basic and diluted                           | \$ (0.28) | \$ (0.21) |
| Weighted average common shares used in computing loss per share: |           |           |
| Basic and diluted  | 77,290    | 74,700    |

|   | September 30,<br>2014 | June 30,<br>2014 |
|---|-----------------------|------------------|
| <b>Assets</b>                             |                       |                  |
| Current assets:                           |                       |                  |
| Cash and cash equivalents                 | \$ 107,295            | \$ 92,346        |
| Investments                               | 45,415                | 79,553           |
| Restricted cash                           | 1,457                 | 1,492            |
| Accounts receivable, net                  | 52,943                | 72,152           |
| Inventories                               | 99,994                | 87,752           |
| Prepaid expenses and other current assets | 16,266                | 17,873           |
| Deferred cost of revenue                  | 12,417                | 13,302           |
| Total current assets                      | 335,787               | 364,470          |
| Property and equipment, net               | 32,733                | 34,391           |
| Goodwill                                  | 58,066                | 58,091           |
| Intangible assets, net                    | 21,529                | 23,517           |
| Deferred cost of revenue                  | 2,259                 | 2,899            |
| Other assets                              | 9,263                 | 11,820           |
| Total assets                              | \$ 459,637            | \$ 495,188       |
| <b>Liabilities and equity</b>             |                       |                  |
| Current liabilities:                      |                       |                  |
| Accounts payable                          | \$ 14,695             | \$ 15,639        |
| Accrued compensation                      | 20,358                | 32,569           |
| Other accrued liabilities                 | 20,438                | 24,464           |
| Customer advances                         | 20,034                | 19,804           |
| Deferred revenue                          | 89,340                | 92,093           |
| Total current liabilities                 | 164,865               | 184,569          |
| Long-term liabilities:                    |                       |                  |
| Long-term other liabilities               | 7,425                 | 6,593            |
| Deferred revenue                          | 9,483                 | 9,866            |
| Long-term debt                            | 197,371               | 195,612          |
| Total liabilities                         | 379,144               | 396,640          |
| Equity:                                   |                       |                  |
| Common stock                              | 77                    | 77               |
| Additional paid-in capital                | 455,928               | 451,750          |
| Accumulated other comprehensive income    | 1,232                 | 1,815            |
| Accumulated deficit                       | (376,744)             | (355,094)        |
| Total equity                              | 80,493                | 98,548           |
| Total liabilities and equity              | \$ 459,637            | \$ 495,188       |

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

|                                 | Three Months Ended<br>September 30, |             |
|---------------------------------|-------------------------------------|-------------|
|                                 | 2014                                | 2013        |
| GAAP net loss                   | \$ (21,650)                         | \$ (15,533) |
| Amortization of intangibles (a) | 1,988                               | 2,202       |
| Depreciation (b)                | 2,990                               | 3,246       |
| Stock-based compensation (c)    | 3,273                               | 2,180       |
| Interest expense, net (d)       | 3,988                               | 3,306       |
| Provision for income taxes      | 917                                 | 787         |
| Adjusted EBITDA                 | \$ (8,494)                          | \$ (3,812)  |

(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