## 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): April 30, 2018

#### **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))
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 $\square$
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 Conditions.

On April 30, 2018, Accuray Incorporated (the "Company") issued a press release announcing its financial results for the third quarter ended March 31, 2018. A copy of the Company's press release dated April 30, 2018, titled "Accuray Reports Third Fiscal Quarter 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, 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.

(A)	Exhibits.
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Exhibit No.	Description
99.1	Press release dated April 30, 2018, titled "Accuray Reports Third Fiscal Quarter Results."

EXHIBIT INDEX

Exhibit No.

99.1

Press release dated April 30, 2018, titled "Accuray Reports Third Fiscal Quarter Results."

#### **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 hereunto duly authorized.

#### ACCURAY INCORPORATED

Dated: April 30, 2018

By: /s/ Kevin Waters

Kevin Waters

Senior Vice President & Chief Financial Officer



Doug Sherk Investor Relations, EVC Group +1 (415) 652-9100 dsherk@evcgroup.com Beth Kaplan Public Relations Director, Accuray +1 (408) 789-4426 bkaplan@accuray.com

#### **Accuray Reports Third Fiscal Quarter Results**

SUNNYVALE, Calif., April 30, 2018 – Accuray Incorporated (NASDAQ: ARAY) today reported financial results for the third fiscal quarter ended March 31, 2018.

#### **Fiscal Third Quarter Highlights**

- Revenue increased 3 percent year over year to \$99.8 million driven by service revenue growth of 15 percent
- Gross orders were \$74.9 million; net orders were \$40.9 million. Ending backlog increased 4 percent year over year to \$468.1 million
- Strong demand for Radixact<sup>TM</sup> System results in largest number of orders for any single quarter since launch
- · Retired \$40 million principal amount of 2018 convertible notes, reducing potential shareholder dilution

"Market acceptance of our Radixact System, as well as strong sales of our latest software upgrades, have been key factors in our continuing market momentum," said Joshua H. Levine, president and chief executive officer. "Radixact's positioning as a highly efficient and versatile treatment platform capable of treating both ends of the case mix spectrum from routine to highly complex cases, continues to resonate with customers and is driving an expanded market opportunity for Accuray."

#### **Fiscal Third Quarter Results**

Total revenue was \$99.8 million compared to \$97.3 million in the prior fiscal year third quarter. Product revenue totaled \$43.2 million compared to \$48.0 million in the prior fiscal year third quarter, while service revenue totaled \$56.6 million compared to \$49.3 million in the prior fiscal year third quarter. The increase in service revenue was primarily driven by upgrade related sales.

Total gross profit for the 2018 fiscal third quarter was \$36.2 million, or 36.3 percent of sales, comprised of product gross margin of 41.4 percent and service gross margin of 32.4 percent. This compares to total gross profit of \$35.4 million, or 36.4 percent of sales, comprised of product gross margin of 38.4 percent and service gross margin of 34.4 percent for the prior fiscal year third quarter.

Operating expenses were \$40.1 million, an increase of 9 percent compared with \$36.7 million in the prior fiscal third quarter. The increase is primarily due to investments in both research and development and commercial infrastructure mainly in the US sales organization.

Net loss was \$8.9 million, or \$0.10 per share, for the 2018 fiscal third quarter, compared to a net loss of \$5.0 million, or \$0.06 per share, for the 2017 fiscal third quarter.

Adjusted EBITDA for the 2018 fiscal third quarter was \$1.4 million, compared to \$7.1 million in the prior fiscal year third quarter.

Cash, cash equivalents, investments and short-term restricted cash were \$73.2 million as of March 31, 2018 compared to \$106.1 million as of December 31, 2017, primarily due to \$40 million cash used for the settlement of convertible notes in February 2018.

#### **Fiscal Nine Month Results**

For the nine months ended March 31, 2018, gross product orders totaled \$208.5 million compared to \$212.6 million for the same prior fiscal year period.

Total revenue for the nine months ended March 31, 2018 was \$291.1 million compared to \$271.3 million in the prior fiscal year period. Product revenue totaled \$129.3 million compared to \$152.3 million in the prior fiscal year period. The increase in service revenue is primarily driven by upgrade related sales. Product revenue increased primarily due to backlog conversion of orders to revenue from the EIMEA region.

Total gross profit for the nine months ended March 31, 2018 was \$113.7 million, or 39.1 percent of sales, comprised of product gross margin of 42.5 percent and service gross margin of 36.3 percent. This compares to total gross profit of \$98.2 million, or 36.2 percent of sales, comprised of product gross margin of 36.2 percent and service gross margin of 36.1 percent for the same prior fiscal year period. The increase in product gross margin stemmed from lower intangible amortization as well as product and channel mix.

Operating expenses were \$120.6 million, an increase of 9 percent compared with \$110.8 million in the prior fiscal year period. The increase is primarily due to investments in research and development and our commercial organization.

Net loss was \$23.0 million, or \$0.27 per share, for the nine months ended March 31, 2018, compared to a net loss of \$24.3 million, or \$0.30 per share, for the prior fiscal year period.

Adjusted EBITDA for the nine months ended March 31, 2018 was \$9.3 million, compared to \$10.1 million in the prior fiscal year period.

#### 2018 Financial Guidance

The company updated its fiscal year 2018 guidance. Details are summarized as follows:

- Revenue: \$395.0 million to \$400.0 million. This is adjusted from the previous revenue range of \$390.0 million to \$400.0 million;
- · Gross Orders: The company is reaffirming gross orders growth of approximately 5 percent year over year; and
- Adjusted EBITDA: Approximately \$18.0 to \$20.0 million. This is adjusted from the previous range of \$25 million to \$30 million due to strategic investments and lower than anticipated gross margins

Guidance for non-GAAP financial measures excludes amortization of intangibles, depreciation, stock-based compensation expense, interest expense, net and provision for income taxes. 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**

Accuracy will host a conference call beginning at 1:30 p.m. PT/4:30 p.m. ET today to discuss its fiscal third quarter results and recent corporate developments. Conference call dial-in information is as follows:

- U.S. callers: (855) 867-4103
- International callers: (262) 912-4764
- Conference ID Number (U.S. and international): 7359669

Individuals interested in listening to the live conference call via the Internet may do so by logging on to Accuray's website, www.accuray.com. In addition, a taped replay of the conference call will be available beginning approximately two hours after the call's conclusion and available for seven days. The replay telephone number is (855) 859-2056 (USA) or (404) 537-3406 (International), Conference ID: 7359669. An archived webcast will also be available at Accuray's website.

#### **Use of Non-GAAP Financial Measures**

Accuracy 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 meaningful comparison of results for current periods with previous operating results. A reconciliation of GAAP net loss (the most directly comparable GAAP measure) to non-GAAP adjusted EBITDA is provided in the financial statement tables included in this press release, and investors are encouraged to review this reconciliation.

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 and excludes expenses that may have a material impact on the company's reported financial results. This 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.

#### **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.

#### **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 orders, backlog, revenue, and adjusted EBITDA; the company's ability to meet financial targets; the company's ability to build and achieve market momentum for its products; the company's competitive positioning; and the company's leadership position in radiation oncology innovation and technologies. 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 company's ability to achieve widespread market acceptance of its products, the company's ability to effectively manage its growth, the company's ability to maintain or increase its gross margins on product sales and services, the company's ability to meet the covenants under its credit facilities, the company's ability to convert backlog to revenue, risks and uncertainties related to the China Class A license announcement, and such other risks identified under the heading "Risk Factors" in the company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on August 25, 2017, 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.

### Financial Tables to Follow

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

	Three Months Ended March 31,			Nine Mon Marc	ded	
	2018		2017	2018		2017
Gross Orders	\$ 74,906	\$	83,823	\$ 208,461	\$	212,612
Net Orders	40,880		71,830	144,567		163,086
Order Backlog	468,147		449,955	468,147		449,955
Net revenue:						
Products	\$ 43,244	\$	48,032	\$ 129,266	\$	119,029
Services	 56,588		49,280	 161,845		152,291
Total net revenue	99,832		97,312	291,111		271,320
Cost of revenue:						
Cost of products	25,332		29,574	74,291		75,895
Cost of services	 38,251		32,313	103,110		97,269
Total cost of revenue	63,583		61,887	177,401		173,164
Gross profit	 36,249		35,425	 113,710		98,156
Operating expenses:						
Research and development	13,906		12,484	42,663		36,657
Selling and marketing	14,612		13,025	43,241		41,247
General and administrative	 11,552		11,184	34,696		32,890
Total operating expenses	40,070		36,693	120,600		110,794
Loss from operations	 (3,821)		(1,268)	 (6,890)		(12,638)
Other expense, net	(4,465)		(2,919)	(14,774)		(11,044)
Loss before provision for income taxes	 (8,286)		(4,187)	 (21,664)		(23,682)
Provision for (benefit from) income taxes	566		842	1,289		642
Net loss	\$ (8,852)	\$	(5,029)	\$ (22,953)	\$	(24,324)
Net loss per share - basic and diluted	\$ (0.10)	\$	(0.06)	\$ (0.27)	\$	(0.30)
Weighted average common shares used in computing loss per share:				 		
Basic and diluted	 85,459		82,913	84,594		82,268

## Accuray Incorporated Consolidated Balance Sheets

(in thousands) (Unaudited)

Assets         Carban dash equivalents         \$ 70,92         \$ 72,084           Investments         888         23,908           Restricted cash         1,886         23,908           Restricted cash         1,886         72,789           Accounts receivable, net         115,900         105,084           Inventories         115,900         105,081           Prepaid expenses and other current assets         16,653         1,888           Prepaid expenses and other current assets         290,402         300,003           Total current assets         290,402         300,003           Todal crurent assets         85,001         5,018           Todal dequipment, net         424,62         23,062           Goodvill         58,001         5,018           Intangible assets, net         85         20,002           Other assets         12,849         15,417           Total assets         12,849         15,417           Total assets         \$ 387,19         \$ 40,646           Every terretain experimental		<u> </u>	1arch 31, 2018	June 30, 2017		
Cash and cash equivalents         \$ 70,322         \$ 72,084           Investments         888         23,090           Restricted cash         18,846         72,789           Accounts receivable, net         81,846         72,789           Inventories         115,500         105,054           Prepaid expenses and other current assets         16,653         1,808           Defered cost of revenue         2,933         3,300           Total current assets         290,492         30,003           Total current assets         58,021         5,812           Codwill         58,021         5,812           Intangible assets, net         63         20           Other account of revenue         63         20           Other account assets         5,387,31         5         40,64           Deferred cost of revenue         5,387,31         5         40,64           Total assets         5,387,31         5         40,64           Deferred cost of revenue         5,387,31         5         40,64           Total assets         5,387,31         5         40,64           Current liabilities         2,252         1,54         2,54         2,54         2,54         2,54	Assets					
Investments         888         23,090           Restricted cash         1,880         12,829           Accounts receivable, net         818,346         72,789           Inventories         115,900         105,054           Prepaid expenses and other current assets         2,933         3,350           Deferred cost of revenue         290,492         309,003           Total current assets         290,492         309,003           Propety and equipment, net         25,001         5,812         5,812           Goodwill         85         96         66           Deferred cost of revenue         68         20,602           Other assets         12,849         15,417           Other assets         12,849         15,417           Total assets         \$38,731         \$ 17,486           Accounts payable         \$31,175         \$ 17,486           Accrued compensation         22,212         25,402           Accrued compensation         22,217         23,602           Other accrued liabilities         22,502         16,926           Deferred revenue         13,023         16,926           Deferred revenue         11,073         10,002           Long-term liabilit						
Restricted cash         1,880         12,029           Accounts receivable, net         81,846         72,780           Inventories         115,00         105,054           Prepaid expenses and other current assets         16,653         1,898           Deferred cost of revenue         290,402         30,000           Property and equipment, net         24,462         23,002           Goodwill         58,71         59,602           Intangible assets, net         63         20,60           Defend cost of revenue         63         20,60           Other assets         12,80         5,101           Total assets         1,20         5,101           Total assets         2,23,10         5,101           Total assets         2,31,50         1,40,60           Every User Hiabilities         23,175         1,74,60           Accounts payable         2,72,12         2,54,00           Accounts payable         2,72,12         2,54,00           Accured compensation         27,212         2,54,00           Other accured liabilities         22,652         1,52,00           Every Evenue         2,52,52         1,52,00         1,52,00           Deferred evenue         1,	Cash and cash equivalents	\$		\$		
Accounts receivable, net         81,846         72,789           Inventories         115,90         105,054           Prepaid expense and other current assets         16,663         18,888           Deferred cost of revenue         2,933         3,350           Total current assets         29,042         309,003           Roperty and equipment, net         24,462         23,062           Godwill         58,021         5,812           Intangible assets, net         638         2,062           Deferred cost of revenue         638         2,062           Other assets         12,849         15,417           Total assets         12,849         15,417           Total casset         2,837,319         \$ 406,464           Labilities         2,852         17,486           Cather assets         2,245         \$ 17,486           Accrued compensation         22,707         2,870           Other accrued liabilities         22,707         2,870           Short-tern debt         2,852         11,932           Total current liabilities         11,903         1,968           Deferred revenue         8,052         1,524           Long-term diverti liabilities         11,073						
Inventories         115,900         105,054           Prepaid expenses and other current assets         16,653         18,988           Deferred cost of revenue         2,933         3,350           Total current assets         290,402         309,003           Property and equipment, net         24,662         23,062           Goodwill         85,021         5,821           Intangible assets, net         85         66           Defend cost of revenue         63         206           Other assets         12,849         15,117           Total assets         \$387,319         \$ 406,464           Limitides are equity           Extrementabilities           Accounts payable         \$23,175         \$ 17,486           Accrued compensation         22,721         25,402           Other accrued liabilities         22,762         16,926           Outstoner advances         22,652         16,926           Total current liabilities         11,023         16,926           Total current liabilities         11,023         10,926           Inspectment debt         11,023         10,926           Deferred revenue         11,023         10,926           Lon	Restricted cash					
Prepaid expenses and other current assets         16,653         18,988           Deferred cost of revenue         29,0492         309,003           Total current assets         290,492         309,003           Property and equipment, net         24,462         23,062           Goodwill         85,7         964           Intangible assets, net         638         206           Deferred cost of revenue         638         206           Other assets         12,849         15,417           Total assets         85,733         \$ 406,445           Libilities           Total assets         23,175         \$ 1,748           Accounts payable         27,212         25,402           Accrued compensation         27,212         25,402           Other accrued liabilities         22,707         23,870           Short-term debt         22,652         16,926           Deferred revenue         84,058         87,785           Total current liabilities         11,073         10,068           Deferred revenue         11,073         10,068           Long-term diverting libilities         11,073         10,068           Deferred revenue         13,421	Accounts receivable, net					
Deferred cost of revenue         2,933         3,350           Total current assets         290,492         309,003           Roperty and equipment, net         24,462         23,062           Goodwill         58,021         57,812           Intagible assets, net         685         964           Deferred cost of revenue         638         206           Other assets         12,849         15,417           Total assets         8387,319         \$ 406,464           Extraction of revenue           Universitätises           Universitätises           Universitätises           Accured compensation         27,212         25,402           Other accrued liabilities         22,752         11,023           Ober accrued liabilities         22,652         16,926           Ober accrued liabilities         18,026         28,762           Total current liabilities         11,073         10,026           Total current liabilities         11,073         10,026           Geferred revenue         11,034         13,623           Geferred revenue         13,231         15,164           Geferred revenue         13,251         35,931 <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>						
Total current assets         290,492         309,003           Property and equipment, net         24,462         23,062           Goodwill         58,021         57,812           Intangible assets, net         85         96           Deferred cost of revenue         638         206           Other assets         12,849         15,417           Total assets         8387,39         \$ 066,464           Total assets         8387,39         \$ 066,464           Lotsilities and equity           Use of the equity         17,406         \$ 21,75         \$ 17,406           Accounts payable         22,752         25,402         25,602         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,502         26,702         28,4			16,653			
Property and equipment net         24,462         23,062           Goodwill         58,021         57,812           Intangible assets, net         857         964           Deferred cost of revenue         638         206           Other assets         12,849         15,417           Total assets         8387,319         \$ 406,464           Intallities and equity           Use the intallities and equity           Use the intallities and equity           Accounts payable         \$ 23,175         \$ 17,486           Accounts payable         \$ 22,175         \$ 17,486           Accured compensation         27,212         25,402           Accured compensation         27,212         25,402           Accured liabilities         2,707         23,802           Other accured liabilities         2,2652         16,926           Deferred revenue         17,930         28,492           Long-term liabilities         11,073         13,823           Long-term liabilities         11,073         13,823           Deferred revenue         17,343         13,823           Total leubities         34,251         51,548           Total labilities	Deferred cost of revenue		2,933		3,350	
Godwill         58,021         57,812           Intagible assets, net         857         964           Deferred cost of revenue         638         206           Other assets         12,849         15,417           Total assets         \$387,319         \$406,464           Exhibities and equity           Users           Exhibities and equity           Users           Accrued liabilities         23,175         \$17,486           Accrued compensation         27,212         25,402           Other accrued liabilities         22,707         23,870           Short-tern debt         22,652         16,926           Deferred revenue         84,058         87,785           Total current liabilities         179,804         284,929           Long-tern dibert liabilities         11,073         10,686           Deferred revenue         11,073         10,686           Deferred revenue         11,073         13,681           Long-tern dibert liabilities         31,321         31,512           Long-tern dibert liabilities         31,532         31,512           Comport corrent liabilities         31,532         31,532      <	Total current assets		290,492		309,003	
Intangible assets, net         857         964           Defered cost of revenue         638         206           Other assets         12,649         15,147           Total assets         \$ 387,319         \$ 406,648           Lishilities and equity           Use of Lishilities           Accounts payable         \$ 23,175         \$ 17,486           Accued compensation         22,107         23,870           Other accrued liabilities         2,2707         23,870           Short-term debt         2,2707         23,870           Observed revenue         8,052         16,926           Deferred revenue         80,582         87,785           Tong-term liabilities         11,073         10,068           Deferred revenue         11,073         10,068           Deferred revenue         11,073         13,823           Long-term liabilities         11,073         13,823           Deferred revenue         13,231         15,614           Total liabilities         13,232         15,614           Equity         2         15,617         49,688           Equity         2         14,518         15,617         450,386 <th< td=""><td>Property and equipment, net</td><td></td><td>24,462</td><td></td><td>23,062</td></th<>	Property and equipment, net		24,462		23,062	
Deferred cost of revenue         638         206           Other assets         12,849         15,417           Total assets         387,319         406,464           Institution and equity           Usernet Itabilities           Accounts payable         \$ 23,175         \$ 17,486           Accured compensation         22,701         25,402           Other accrued liabilities         22,702         23,870           Other accrued liabilities         22,703         110,203           Customer advances         22,652         16,926           Deferred revenue         340,58         37,785           Total current liabilities         11,073         10,068           Deferred revenue         15,245         15,548           Total envenue         16,86         8           Common stock         86	Goodwill		58,021		57,812	
Other assets         12,849         15,417           Total assets         \$ 387,319         \$ 406,464           Example dequity         \$ 23,175         \$ 17,486           Accounts payable         \$ 23,175         \$ 17,486           Accound compensation         27,212         25,402           Other accrued liabilities         22,707         23,870           Short-term debt         2,2652         10,926           Customer advances         22,652         10,926           Deferred revenue         84,058         87,785           Total current liabilities         179,804         284,929           Long-term liabilities         11,073         10,068           Deferred revenue         11,073         10,068           Deferred revenue         11,073         10,068           Deferred revenue         134,321         15,048           Degeterm diabilities         134,321         35,931           Degeterm debt         134,321         35,931           Long-term debt         34,541         35,931           Equity         52,542         35,931           Compose the debt         18,68         84           Additional paid-in capital         516,73         496	9				964	
Total assets         \$ 387,319         \$ 406,464           Liabilities and equity         Current liabilities:         S 23,175         \$ 17,486           Accounts payable         \$ 27,212         25,402           Accrued compensation         27,712         25,402           Other accrued liabilities         22,752         23,870           Short-term debt         2,652         113,023           Customer advances         22,652         16,926           Deferred revenue         84,058         87,785           Total current liabilities         11,073         10,068           Long-term liabilities         11,073         10,068           Deferred revenue         11,073         10,068           Deferred revenue         11,073         10,068           Deferred revenue         11,073         10,068           Deferred revenue         11,073         13,823           Long-term debt         134,21         51,548           Total liabilities         342,541         359,931           Equity         86         8         8           Common stock         86         8         8           Accumulated other comprehensive income (loss)         1,858         (52)	Deferred cost of revenue		638		206	
Liabilities and equity           Current liabilities:           Accounts payable         \$ 23,175         \$ 17,486           Accrued compensation         27,212         25,402           Other accrued liabilities         22,707         23,870           Short-term debt         - 113,023           Customer advances         22,652         16,926           Deferred revenue         84,058         87,785           Total current liabilities         11,073         10,068           Long-term other liabilities         11,073         10,068           Deferred revenue         17,343         13,823           Long-term debt         134,321         51,548           Total liabilities         342,541         359,931           Equity:           Common stock         86         84           Additional paid-in capital         516,173         496,887           Accumulated other comprehensive income (loss)         1,858         (52)           Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,653	Other assets		12,849		15,417	
Current liabilities:       S       23,175       \$       17,486         Accrued compensation       27,212       25,402         Other accrued liabilities       22,707       23,870         Short-tern debt       2,2652       16,926         Customer advances       22,652       16,926         Deferred revenue       84,058       87,785         Total current liabilities       179,804       284,492         Long-tern liabilities       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity         Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Total assets	\$	387,319	\$	406,464	
Accounts payable         \$ 23,175         \$ 17,486           Accrued compensation         27,212         25,402           Other accrued liabilities         22,707         23,870           Short-term debt         -         113,023           Customer advances         22,652         16,926           Deferred revenue         84,058         87,785           Total current liabilities         179,804         284,492           Long-term liabilities         11,073         10,068           Deferred revenue         17,343         13,823           Long-term debt         134,321         51,548           Total liabilities         342,541         359,931           Equity           Common stock         86         84           Additional paid-in capital         516,173         496,887           Accumulated other comprehensive income (loss)         1,858         (52)           Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,533	Liabilities and equity		_		_	
Accrued compensation       27,212       25,402         Other accrued liabilities       22,707       23,870         Short-term debt       -       113,023         Customer advances       22,652       16,926         Deferred revenue       84,058       87,785         Total current liabilities       179,804       284,492         Long-term liabilities       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity       Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Current liabilities:					
Other accrued liabilities       22,707       23,870         Short-term debt       -       113,023         Customer advances       22,652       16,926         Deferred revenue       84,058       87,785         Total current liabilities       179,804       284,492         Long-term liabilities       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity         Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Accounts payable	\$	23,175	\$	17,486	
Short-term debt       -       113,023         Customer advances       22,652       16,926         Deferred revenue       84,058       87,785         Total current liabilities       179,804       284,492         Long-term liabilities:       ***       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity:         Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Accrued compensation		27,212		25,402	
Customer advances       22,652       16,926         Deferred revenue       84,058       87,785         Total current liabilities       179,804       284,492         Long-term liabilities:       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity:         Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Other accrued liabilities		22,707		23,870	
Deferred revenue         84,058         87,785           Total current liabilities         179,804         284,492           Long-term liabilities         11,073         10,068           Deferred revenue         17,343         13,823           Long-term debt         134,321         51,548           Total liabilities         342,541         359,931           Equity:         86         84           Common stock         86         84           Additional paid-in capital         516,173         496,887           Accumulated other comprehensive income (loss)         1,858         (52)           Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,533	Short-term debt		-		113,023	
Total current liabilities       179,804       284,492         Long-term liabilities:       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity:       Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Customer advances		22,652		16,926	
Long-term liabilities:       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity:       Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Deferred revenue		84,058		87,785	
Long-term other liabilities       11,073       10,068         Deferred revenue       17,343       13,823         Long-term debt       134,321       51,548         Total liabilities       342,541       359,931         Equity:       Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Total current liabilities		179,804		284,492	
Deferred revenue         17,343         13,823           Long-term debt         134,321         51,548           Total liabilities         342,541         359,931           Equity:         Sequity:         86         84           Additional paid-in capital         516,173         496,887           Accumulated other comprehensive income (loss)         1,858         (52)           Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,533	Long-term liabilities:					
Long-term debt         134,321         51,548           Total liabilities         342,541         359,931           Equity:         Common stock         86         84           Additional paid-in capital         516,173         496,887           Accumulated other comprehensive income (loss)         1,858         (52)           Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,533	Long-term other liabilities		11,073		10,068	
Total liabilities       342,541       359,931         Equity:       Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Deferred revenue		17,343		13,823	
Equity:         Common stock       86       84         Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Long-term debt		134,321		51,548	
Common stock         86         84           Additional paid-in capital         516,173         496,887           Accumulated other comprehensive income (loss)         1,858         (52)           Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,533	Total liabilities		342,541		359,931	
Additional paid-in capital       516,173       496,887         Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Equity:					
Accumulated other comprehensive income (loss)       1,858       (52)         Accumulated deficit       (473,339)       (450,386)         Total equity       44,778       46,533	Common stock		86		84	
Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,533	Additional paid-in capital		516,173		496,887	
Accumulated deficit         (473,339)         (450,386)           Total equity         44,778         46,533	Accumulated other comprehensive income (loss)		1,858		(52)	
Total equity 44,778 46,533	- ; ;		(473,339)			
	Total equity					
	Total liabilities and equity	\$		\$	406,464	

#### **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 March 31,			Nine Months Ended March 31,			
	2018		2017		2018		2017
GAAP net loss	\$ (8,852)	\$	(5,029)	\$	(22,953)	\$	(24,324)
Amortization of intangibles (a)	36		1,988		107		5,965
Depreciation (b)	2,344		2,580		7,280		7,883
Stock-based compensation	3,204		3,598		9,074		9,985
Interest expense, net (c)	4,062		3,138		14,460		9,902
Provision for income taxes	566		842		1,289		642
Adjusted EBITDA	\$ 1,360	\$	7,117	\$	9,257	\$	10,053

<sup>(</sup>a) consists of amortization of intangibles - developed technology and acquired patents.

<sup>(</sup>b) consists of depreciation, primarily on property and equipment.

<sup>(</sup>c) consists primarily of interest income from available-for-sale securities, interest expense associated with our outstanding debt and non-cash loss on extinguishment of debt.

### Accuray Incorporated Forward-Looking Guidance

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

(in thousands) (Unaudited)

Twelve Months Ending

	 June 30, 2018				
	From	To			
GAAP net loss	\$ (25,200)	\$	(23,200)		
Depreciation and amortization (a)	9,900		9,900		
Stock-based compensation	12,700		12,700		
Interest expense, net (b)	18,500		18,500		
Provision for income taxes	2,100		2,100		
Adjusted EBITDA	\$ 18,000	\$	20,000		

<sup>(</sup>a) consists of depreciation, primarily on property and equipment as well as amortization of intangibles - developed technology and acquired patents.

<sup>(</sup>b) consists primarily of interest income from available-for-sale securities, interest expense associated with our convertible notes and revolving credit facility and non-cash loss on extinguishment of debt.