

**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): October 28, 2022

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 1.01 Entry into a Material Definitive Agreement.

On October 28, 2022, Accuray Incorporated (the “Company”) entered into the First Amendment to Credit Agreement (the “Amendment”) in respect of its Credit Agreement (the “Existing Credit Agreement”) among the Company, the financial institutions party thereto as lenders and issuing lenders and Silicon Valley Bank as administrative agent, issuing lender and swingline lender. The principal purpose of the Amendment is to relax the requirements of the financial maintenance covenants under the Existing Credit Agreement until the end of the fiscal quarter ending June 30, 2023. The Amendment increased the senior net leverage ratio required by the financial maintenance covenant from 3.00:1.00 to 3.50:1.00, for the fiscal quarter ending December 31, 2022, from 2.50:1.00 to 3.00:1.00 for the fiscal quarter ending March 31, 2023 and from 2.50:1.00 to 2.75:1.00 for the fiscal quarter ending June 30, 2023. The Amendment also reduced the consolidated fixed charge coverage ratio required by the financial maintenance covenants from 1.25:1.00 to 1.10:1.00, for the fiscal quarter ending December 31, 2022, from 1.25:1.00 to 1.15:1.00 for the fiscal quarter ending March 31, 2023 and from 1.25:1.00 to 1.20:1.00 for the fiscal quarter ending June 30, 2023.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by the terms and conditions of the Amendment, a copy of which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ending December 31, 2022.

Item 2.02 Results of Operations and Financial Condition.

On November 2, 2022, the Company issued a press release announcing its financial results for the first quarter ended September 30, 2022. A copy of the Company’s press release dated November 2, 2022, titled “Accuray Reports Fiscal 2023 First 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 November 2, 2022. 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 November 2, 2022, titled “Accuray Reports Fiscal 2023 First Quarter Financial Results”
99.2	Accuray First Quarter Fiscal 2023 Earnings Call Presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)



Accuray Reports Fiscal 2023 First Quarter Financial Results

Strong customer demand. Navigating FX and Supply Chain Challenges. Company reiterates full year guidance.

SUNNYVALE, Calif., November 2, 2022 — Accuray Incorporated (NASDAQ: ARAY) today reported financial results for the first quarter of fiscal 2023 ended September 30, 2022.

First Quarter Fiscal 2023 Summary

- Gross orders of \$69.8 million, were flat versus the prior fiscal year. On a constant currency basis, gross orders compared to the same period in the prior fiscal year increased \$4.7 million, a 6.5% growth
- Net revenue of \$96.5 million represents a decrease of 10% versus the same period in the prior fiscal year mainly driven by supply chain constraints and a \$5.8 million foreign exchange headwind on a constant currency basis
- GAAP net loss of \$5.4 million as compared to GAAP net loss of \$1.0 million in the prior fiscal year period. Adjusted EBITDA of \$1.9 million as compared to adjusted EBITDA of \$5.4 million in the prior fiscal year period

Other Recent Operational Highlights

- Introduction of VitalHold™* breast cancer treatment package for the Radixact® System in partnership with C-RAD
- Data published in The Lancet Oncology indicate men with prostate cancer treated with the CyberKnife® System experienced lower incidence of certain bladder side effects
- New, global commercial partnership with GE Healthcare to expand access, advance Precision Radiation Therapy
- NMPA regulatory submission completed for Tomo® C, the Joint Venture product for the China Type B segment

"I am pleased with a solid start to the year. Demand continues to reflect strong customer adoption for our precision radiation therapy solutions." said Suzanne Winter, Chief Executive Officer. "We remain laser focused on navigating supply chain and macroeconomic challenges including foreign exchange headwinds, delivering on our innovation-driven growth agenda and executing on strategic partnerships that will help us deliver differentiated solutions and create long term value for customers, patients, employees and shareholders."

Fiscal First Quarter Results

Total net revenue was \$96.5 million for the first quarter of fiscal 2023 compared to \$107.4 million for the prior fiscal year first quarter. Product revenue totaled \$44.6 million for the first quarter of fiscal 2023 compared to \$52.8 million for the prior fiscal year first quarter, while service revenue totaled \$51.9 million for the first quarter of fiscal 2023 compared to \$54.7 million in the prior fiscal year first quarter.

Total gross profit for the first quarter of fiscal 2023 was \$34.6 million or approximately 35.9 % of total net revenue, compared to total gross profit of \$39.5 million or 36.8% of total net revenue in the prior fiscal year first quarter.

Operating expenses for the first quarter of fiscal 2023 were \$36.8 million, compared to \$37.1 million in the prior fiscal year first quarter.

Net loss was \$5.4 million, or \$(0.06) per share, for the first quarter of fiscal 2023, compared to net loss of \$1.0 million, or \$(0.01) per share, for the prior fiscal year first quarter.

Gross product orders totaled \$69.8 million for the first quarter of fiscal 2023 compared to \$70.0 million for the prior fiscal year first quarter. Order backlog as of September 30, 2022 was \$538.4 million, approximately 11% lower than at the end of the prior fiscal year first quarter due primarily to \$51.2 million aging beyond 30 months. Minimal cancellations occurred within the quarter with 1 order cancellation representing \$1.5 million.

Adjusted EBITDA for the first quarter of fiscal 2023 was \$1.9 million, compared to \$5.4 million for the prior fiscal year first quarter.

Cash, cash equivalents, and short-term restricted cash were \$81.2 million as of September 30, 2022, a decrease of \$7.7 million from June 30, 2022.

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 re-affirming 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%.
- 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 expense, interest expense 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

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

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

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

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

*510(k) pending. VitalHold is not available for sale in the USA. It is not CE marked and availability is subject to regulatory clearance or approval in some markets

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. Management believes that this non-GAAP financial measure provides useful supplemental information to management and investors regarding the performance of the company and facilitates a meaningful comparison of results for current periods with previous operating results. A reconciliation of GAAP net income (loss) (the most directly comparable GAAP measure) to non-GAAP adjusted EBITDA is provided in the schedules below.

Accuray has also reported certain operating results on a constant currency basis in order to facilitate period-to-period comparisons of its results without regard to the impact of foreign currency exchange rate fluctuations. Management believes disclosure of non-GAAP constant currency results is helpful to investors because it facilitates period-to-period comparisons of the company's results by increasing the transparency of the underlying performance by excluding the impact of foreign currency exchange rate fluctuations. The GAAP measure most directly comparable to net revenue on a constant currency basis is revenue. Accuray calculates the constant currency amounts by translating local currency amounts in the current period using the same foreign translation rate used in the prior period being compared against rather than the actual exchange rate in effect during the current period.

There are limitations in using these non-GAAP financial measures because they are not prepared in accordance with GAAP and may not be directly comparable to similarly titled measures used by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for comparable GAAP financial measures. Investors and potential investors should consider non-GAAP financial measures only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP.

About Accuray

Accuray Incorporated (Nasdaq: ARAY) is committed to expanding the powerful potential of radiation therapy to improve as many lives as possible. We invent unique, market-changing solutions that are designed to deliver radiation treatments for even the most complex cases—while making commonly treatable cases even easier—to meet the full spectrum of patient needs. We are dedicated to continuous innovation in radiation therapy for oncology, neuro-radiosurgery, and beyond, as we partner with clinicians and administrators, empowering them to help patients get back to their lives, faster. Accuray is headquartered in Sunnyvale, California, with facilities worldwide.

Safe Harbor Statement

Statements made in this press release that are not statements of historical fact are forward-looking statements and are subject to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this press release relate, but are not limited, to the company's future results of operations, including expectations regarding: total revenue and adjusted EBITDA; the effect of the global economic environment and the COVID-19 pandemic on the company and the market in general, including with respect to the company's ability to navigate supply chain, logistics, macroeconomic, and foreign exchange challenges; delivering on the company's growth agenda and executing on strategic partnerships; creating long term value for customers, patients, employees, and shareholders; expectations regarding commercial strategy and execution as well as growth opportunities; the company's order and revenue growth and ability to gain market share; the company's China joint venture and other partnerships, including the timing of any product launches; the company's product innovations and developments, including those developed with strategic partners, and the ability of such innovations and developments to provide a competitive advantage and expand the market; and the effect of clinical evidence generation. These forward-looking statements involve risks and uncertainties. If any of these risk or uncertainties materialize, or if any of the company's assumptions prove incorrect, actual results could differ materially from the results express or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the effect of the global macroeconomic environment, including foreign exchange, and the COVID-19 pandemic on the operations of the company and those of its customers and suppliers; disruptions to our supply chain, including increased logistics costs; the company's ability to achieve widespread market acceptance of its products; the company's ability to realize the expected benefits of the China joint venture and other partnerships; risks inherent in international operations; the company's ability to maintain or

increase its gross margins on product sales and services; delays in regulatory approvals or the development or release of new offerings; the company's ability to meet the covenants under its credit facilities; the company's ability to convert backlog to revenue; and such other risks identified under the heading "Risk Factors" in the company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on August 17, 2022 and as updated periodically with the company's other filings with the SEC.

Forward-looking statements speak only as of the date the statements are made and are based on information available to the company at the time those statements are made and/or management's good faith belief as of that time with respect to future events. The company assumes no obligation to update forward-looking statements to reflect actual performance or results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. Accordingly, investors should not put undue reliance on any forward-looking statements.

Aman Patel, CFA
Investor Relations, ICR-Westwicke
+1 (443) 450-4191
aman.patel@westwicke.com

Beth Kaplan
Public Relations Director, Accuray
+1 (408) 789-4426
bkaplan@accuray.com

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Financial Tables to Follow

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

	For the Three Months Ended September 30,	
	2022	2021
Net revenue:		
Products	\$ 44,623	\$ 52,759
Services	51,870	54,683
Total net revenue	96,493	107,442
Cost of revenue:		
Cost of products	28,850	31,509
Cost of services	33,046	36,409
Total cost of revenue	61,896	67,918
Gross profit	34,597	39,524
Operating expenses:		
Research and development	14,092	14,382
Selling and marketing	10,795	11,271
General and administrative	11,892	11,460
Total operating expenses	36,779	37,113
Income (loss) from operations	(2,182)	2,411
Loss on equity method investment, net	(368)	(340)
Other expense, net	(2,558)	(2,668)
Loss before provision for income taxes	(5,108)	(597)
Provision for income taxes	341	431
Net loss	\$ (5,449)	\$ (1,028)
Net loss per share - basic	\$ (0.06)	\$ (0.01)
Net loss per share - diluted	\$ (0.06)	\$ (0.01)
Weighted average common shares used in computing loss per share:		
Basic	93,529	90,838
Diluted	93,529	90,838

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

	September 30, 2022	June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 81,007	\$ 88,737
Restricted cash	203	204
Accounts receivable, net	77,029	94,442
Inventories	152,624	142,254
Prepaid expenses and other current assets	24,241	23,794
Deferred cost of revenue	161	1,459
Total current assets	335,265	350,890
Property and equipment, net	10,938	12,685
Investment in joint venture	12,776	13,879
Operating lease right-of-use assets, net	26,789	16,798
Goodwill	57,658	57,840
Intangible assets, net	214	250
Long-term restricted cash	1,180	1,213
Other assets	21,529	19,294
Total assets	\$ 466,349	\$ 472,849
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 32,945	\$ 31,337
Accrued compensation	30,890	29,441
Operating lease liabilities, current	4,864	8,567
Other accrued liabilities	30,201	30,285
Customer advances	17,983	25,290
Deferred revenue	69,948	75,375
Short-term debt	5,705	8,563
Total current liabilities	192,536	208,858
Operating lease liabilities, non-current	24,123	10,453
Long-term other liabilities	3,626	3,748
Deferred revenue, non-current	28,453	24,694
Long-term debt	170,620	171,907
Total liabilities	419,358	419,660
Equity:		
Common stock	94	94
Additional paid-in capital	546,117	543,211
Accumulated other comprehensive income (loss)	(1,249)	2,406
Accumulated deficit	(497,971)	(492,522)
Total equity	46,991	53,189
Total liabilities and equity	\$ 466,349	\$ 472,849

Accuray Incorporated
Summary of Orders and Backlog
(in thousands)
(Unaudited)

	For the Three Months Ended September 30,	
	2022	2021
Gross Orders	\$ 69,848	\$ 69,984
Net Orders	19,571	40,763
Order Backlog	538,447	602,905

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)

	For the Three Months Ended September 30,	
	2022	2021
GAAP net loss	\$ (5,449)	\$ (1,028)
Depreciation and amortization (a)	1,176	1,419
Stock-based compensation	2,916	2,516
Interest expense, net (b)	2,256	2,036
Provision for income taxes	341	431
ERP and ERP related expenditures	655	—
Adjusted EBITDA	<u>\$ 1,895</u>	<u>\$ 5,374</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 income (loss)	\$ (3,500)	\$ 500
Depreciation and amortization (a)	6,300	6,300
Stock-based compensation	11,600	11,600
Interest expense, net (b)	8,000	8,000
Provision for income taxes	2,000	2,000
ERP and ERP related expenditures	1,600	1,600
Adjusted EBITDA	\$ 26,000	\$ 30,000

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

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



ACCURAY

Q1'FY23 Earnings Call



November 2, 2022



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 growth catalysts and strategic pillars; expectations regarding ultra hypo-fractionation and the golden-age of radiotherapy; expectations regarding continued rapid adoption of ClearRT; expectations regarding orders growth momentum; expectations regarding new product enhancements or offerings and partnerships; 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: risks related to the current global economic environment and 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 annual report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on August 17, 2022, and as updated periodically with our other filings with the SEC.

Forward-looking statements speak only as of the date the statements are made and are based on information available to Accuray at the time those statements are made and/or management's good faith belief as of that time with respect to future events. Accuray assumes no obligation to update forward-looking statements to reflect actual performance or results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. Accordingly, investors should not place undue reliance on any forward-looking statements.

Non-GAAP Financial Measures

This presentation also contains non-GAAP financial measures. Management believes that non-GAAP financial measures provide useful supplemental information to management and investors regarding the performance of the company and facilitates a more meaningful comparison of results for current periods with previous operating results. Additionally, these non-GAAP financial measures assist management in analyzing future trends, making strategic and business decisions, and establishing internal budgets and forecasts. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measure is provided in the slides at the end of this presentation.

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.

Proprietary and Confidential Property of Accuray



Suzanne Winter
President and CEO



Ali Pervaiz
Senior Vice President,
Chief Financial Officer



Sandeep Chalke
Senior Vice President,
Chief Commercial
Officer



Jean-Philippe Pignol
Senior Vice President, Chief
Medical and Technology
Officer



Jesse Chew
Senior Vice President,
General Counsel



Mike Hoge
Senior Vice President,
Global Operations



Patrick Spine
Senior Vice President,
Chief Administrative
Officer



Jim Dennison
Senior Vice President,
Global Quality &
Regulatory Affairs

Global Leader in Precision Radiation Therapy

Leveraging Technology Innovation to Protect Lives and Improve Quality of Life



14% R&D Spend
In FY22²

392 Patents
In Portfolio¹

Key FY22
Financials

\$430M Total
Revenue

22% YOY Product
Revenue
Growth



2 Precision
Platforms



1,000th
Installed Base
Milestone Expected
by End of 2022

1,000+ Global Employee
Presence¹

Main Manufacturing
Facility Madison, WI

1: As of October 20, 2022
2: Estimated percentage of revenue invested into R&D

Entering the Golden Age of Radiotherapy

ACCURAY

Technology innovation is powering RT potential as a first-line therapy

Shorter
Treatment
Regimens

Curative Power
Clinically Proven Outcomes
Value-based Care

Imaging
Innovation

CT Sim Image Quality
Same day
Scan/Plan/Treat

Correct for
CHANGES

Real Time Correction
DURING delivery
Plan Correction
BETWEEN treatments

Powerful
Partnerships

Interoperability
Best-in-Class Solutions

Clinical
Innovation

Evidence Generation
Advanced Education

Reduced Patient Burden – Advanced Precision – Clinical Evidence



Introduction of VitalHold™** breast cancer treatment package for the Radixact® System in partnership with C-RAD



Data published in *The Lancet Oncology* indicate men with prostate cancer treated with the CyberKnife® System experienced lower incidence of certain bladder side effects



New, global commercial partnership with GE Healthcare to expand access, advance Precision Radiation Therapy



NMPA regulatory submission completed for Tomo® C, the Joint Venture product for the China Type B segment

*510(k) pending. VitalHold is not available for sale in the USA. It is not CE marked and availability is subject to regulatory clearance or approval in some markets

Q1'FY23 Installations

Examples of Accuray Systems installed to positively impact patients' lives

ACCURAY

St. Catherine Hospital East Chicago



CyberKnife® S7™ System

Oscar Lambret Center Lille, France



Radixact® System

Akita City Hospital Akita, Japan



Radixact System

Education Highlights

60+ attendee symposium
15 Accuray Exchange talks
300+ clinical and physics demonstrations

Accuray – C-RAD

VitalHold™** unveiling
~500 in attendance
Most comprehensive breast cancer solution
Deep Inspiration breath hold (DIBH) treatments



Accuray – RaySearch

Radixact System + ARTEMIS
Leverage Accuray ClearRT™ imaging, RayStation RayCare
Online adaptive solution**

Accuray – Brainlab

CyberKnife® platform + Brainlab Elements
Radiosurgery w/ increased precision in pre-planning
Enhance treatment quality

*510(k) pending. VitalHold is not available for sale in the USA. It is not CE marked and availability is subject to regulatory clearance or approval in some markets
**Works in progress

Ultra-Hypofractionation is Ready for Prime-Time

20% Adoption⁰ growing with Phase II-III clinical evidence

ACCURAY

Adoption



70%¹
Breast, prostate,
lung cancer,
and metastases
Patient Mix

Phase II-III Trials

Fast-Forward
PACE-B
STARS
SABR-COMET

HF:
hypofractionation
UHF: ultra-
hypofractionation



Growing Clinical Evidence Supports UltraHF Treatments

Fast-Forward Trial

- Local control and toxicity after ultra-hypofractionated is comparable to standard treatment for early-stage breast cancer¹

PACE-B Trial

- Long-term toxicity after SBRT is comparable to hypofractionated for localized prostate cancer²

STARS Trial

- Long-term survival after SBRT comparable to surgery for early-stage lung cancer³

SABR-COMET Trial

- SBRT is associated with an improvement in overall survival for oligometastatic disease⁴

⁰ Hypofractionated radiotherapy in the real-world setting: An international ESTRO-ORIO survey
Brink et al. *Lancet*. 2020;395(10237):1613-1626. doi:10.1016/S0140-6736(20)30502-8
¹ Van As et al. *Journal of Clinical Oncology* 37, no. 7, suppl (March 01, 2019), 111. doi:10.1200/JCO.2019.37.7_suppl.
² Murray Brown et al. *Lancet*. 2020 May 23;395(10237):1613-1626. doi:10.1016/S0140-6736(20)30692-6
³ Hattori et al. *International Journal of Radiation Oncology (Biological Physics)*. 2022. doi:10.1016/j.ijrobp.2022.07.001
⁴ incidence based model (S660000 data). Profractionation (The Lancet Oncology). Metastatic percentage (Twardzik et al.)

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



Highlights

- Helical fan-beam kVCT imaging
- 135 orders and 84 shipments since introduction in Q3'FY21
- ClearRT™ Enhanced Imaging introduced at ASTRO
- Further improves visualization, reduces daily hardware warmup and calibration time

Q1'FY23 Financials

Strong financial performance despite macro headwinds

ACCURAY

KEY FINANCIAL METRICS

\$M	Q1	Y/Y	Y/Y XFX ²
Gross orders	\$69.8M	(0%)	+6.5%
Revenues	\$96.5M	(10%)	(4.8%)
Product	\$44.6M	(15%)	(11.4%)
Service	\$51.9M	(5%)	+1.7%
Op. Expenses	\$36.8M	(1%)	
R&D	\$14.1M	(2%)	
SG&A	\$22.7M	(0%)	
Adj. EBITDA¹	\$1.9M	(65%)	



Highlights

- Steady orders performance amidst significant currency fluctuations
- Product revenue decline of 15% due to supply constraints
- Service revenue decline of 5% due to stronger U.S. Dollar
- OPEX relatively flat through cost management initiatives

¹ Adjusted EBITDA is a non-GAAP measure. Please see Slide 15 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 EBITDA ¹	\$22.8M	\$26M - \$30M +14% - 32%

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

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Growing momentum with 32 orders in the quarter



Strongest product portfolio and pipeline in company's history



Multiple growth catalysts and global commercial execution



Focused on margin expansion and free cash flow

Positioned for
Long-Term
Revenue Growth
and Market
Share Gain

Thank you

GAAP to Adjusted EBITDA Q1 FY2023 and Q1 FY2022

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 Sep 30 2022	Three Months Ended Sep 30 2021
GAAP net income (loss)	\$ (5,449)	\$ (1,028)
Depreciation and amortization	1,176	1,419
Stock-based compensation	2,916	2,516
Interest expense, net	2,256	2,036
ERP and ERP related expenditures	655	0
Provision for income taxes	341	431
Adjusted EBITDA	\$ 1,895	\$ 5,374

GAAP to Adjusted EBITDA FY2022 and FY2021

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	Twelve Months Ended June 30 2021
GAAP net income (loss)	\$ (5,347)	\$ (\$6,311)
Depreciation and amortization	5,522	6,389
Stock-based compensation	10,600	9,332
Interest expense, net	8,109	16,877
ERP and ERP related expenditures	594	0
One-time charge related to debt refinance and convertible exchange	0	9,948
Provision for income taxes	3,345	1,752
Adjusted EBITDA	\$ 22,823	\$ 37,987

GAAP to Adjusted EBITDA FY2023 – 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)	\$ (3,500)	\$ 500
Depreciation and amortization	6,300	6,300
Stock-based compensation	11,600	11,600
Interest expense, net	8,000	8,000
ERP and ERP related expenditures	1,600	1,600
Provision for income taxes	2,000	2,000
Adjusted EBITDA	\$ 26,000	\$ 30,000