

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2024

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.)

1240 Deming Way
Madison, Wisconsin
(Address of Principal Executive Offices)

53717-1954
(Zip Code)

Registrant's Telephone Number, Including Area Code: 608 824-2800

(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 April 25, 2024, Accuray Incorporated (the “Company”) entered into the Third 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 permit the full amount of the restructuring and severance charges associated with the reduction-in-force conducted in November 2023 to be added back in the calculation of Consolidated EBITDA, including (x) restructuring charges up to \$2,633,000 for the trailing twelve month period ending March 31, 2024; \$2,633,000 for the trailing twelve month period ending June 30, 2024; \$2,633,000 for the trailing twelve month period ending September 30, 2024; and \$0 for the trailing twelve month period ending December 31, 2024 and thereafter and (y) pro forma “run rate” cost savings up to \$6,836,000 for the trailing twelve month period ending March 31, 2024; \$3,798,000 for the trailing twelve month period ending June 30, 2024; \$760,000 for the trailing twelve month period ending September 30, 2024; and \$0 for the trailing twelve month period ending December 31, 2024 and thereafter.

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 March 31, 2024.

Item 2.02 Results of Operations and Financial Condition.

On May 1, 2024, the Company issued a press release announcing its financial results for the third quarter ended March 31, 2024. A copy of the Company’s press release dated May 1, 2024, titled “Accuray Reports Fiscal 2024 Third Quarter Financial Results” is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The foregoing information (including the exhibit hereto) is being furnished under “Item 2.02 Results of Operations and Financial Condition” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), except as shall be expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

Spokespersons of the Company plan to present the information in the presentation attached hereto as Exhibit 99.2 to analysts and investors from time to time on or after May 1, 2024. 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 May 1, 2024, titled “Accuray Reports Fiscal 2024 Third Quarter Financial Results”
99.2	Accuray Third Quarter Fiscal 2024 Earnings Call Presentation
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ACCURAY INCORPORATED

Date: May 1, 2024

By:

/s/ Ali Pervaiz
Ali Pervaiz
Senior Vice President & Chief Financial Officer



Accuray Reports Fiscal 2024 Third Quarter Financial Results

MADISON, Wis, May 1, 2024 — Accuray Incorporated (NASDAQ: ARAY) today reported financial results for the third quarter and nine-months ended March 31, 2024.

Third Quarter Fiscal 2024 Summary

- Net revenue of \$101.1 million decreased 14 percent from the same period in the prior fiscal year. Net revenue on a constant currency basis was \$102.4 million, which represented a 13 percent decrease from the same period in the prior fiscal year.
- GAAP net loss was \$6.3 million, as compared to GAAP net income of \$0.6 million in the same period in the prior fiscal year. Adjusted EBITDA was \$1.1 million, as compared to adjusted EBITDA of \$8.3 million in the same period in the prior fiscal year.
- Gross orders of \$89.1 million increased 21 percent from the same period in the prior fiscal year. The book to bill ratio was 1.8 in the third quarter of fiscal 2024, compared to a book to bill ratio of 1.2 in the same period in the prior fiscal year.

Fiscal Nine Months 2024 Summary

- Net revenue of \$312.3 million decreased 5 percent from the same period in the prior fiscal year. Net revenue on a constant currency basis was \$311.2 million, which represented a 6 percent decrease from the same period in the prior fiscal year.
- GAAP net loss was \$18.9 million, as compared to GAAP net loss of \$6.7 million in the same period in the prior fiscal year. Adjusted EBITDA was \$9.6 million as compared to adjusted EBITDA of \$18.7 million in the same period in the prior fiscal year.
- Gross orders of \$246.7 million increased 11 percent from the same period in the prior fiscal year. The book to bill ratio was 1.6 in the first nine months of fiscal 2024, compared to a book to bill ratio of 1.3 in the same period in the prior fiscal year.

Other Recent Operational Highlights

- Opened new training center in Genolier, Switzerland, the most recent addition to the Accuray network of training centers and one of the growth drivers for the company's service business.
- Introducing at ESTRO a new physics offering, CyberComm™, intended to significantly reduce the CyberKnife®S7™ System's commissioning time and enable customers to begin treating patients substantially faster.
- Announced a collaboration agreement with Oncopole Claudius Regaud (IUCT-Oncopole) in France, and Airbus SAS, a leader in the aerospace industry, to develop an artificial intelligence driven solution for predicting radiotherapy system performance.

“While I am disappointed in our quarterly results where we faced challenges as a result of multiple factors, including a delay in product shipments and slower than expected U.S. installations, we remain confident in our growth strategy and our ability to offer value to our customers globally,” said Suzanne Winter, Chief Executive Officer. “Fiscal 2024 is an important year for the company as we start to make major advances in long-term growth and profitability drivers, which we highlighted at our investor day this past fall. We remain focused on executing on our plan to advance care with innovative solutions, improving patient access by penetrating higher growth emerging markets and investing in our service business. Finally, I am very pleased with customer adoption of our solutions this quarter that led to a 21 percent increase in gross orders year-over-year, fueling future revenue and EBITDA growth.”

Fiscal Third Quarter Results

Total net revenue in the third quarter of fiscal 2024 was \$101.1 million, compared to \$118.1 million in the prior fiscal year third quarter. Product revenue in the third quarter of fiscal 2024 was \$49.6 million, compared to \$62.8 million in the prior fiscal year third quarter. Service revenue in the third quarter of fiscal 2024 was \$51.5 million, compared to \$55.2 million in the prior fiscal year third quarter.

Total gross profit in the third quarter of fiscal 2024 was \$29.1 million, or 28.7 percent of total net revenue, compared to total gross profit of \$38.7 million, or 32.8 percent of total net revenue, in the prior fiscal year third quarter.

Operating expenses in the third quarter of fiscal 2024 were \$33.6 million, compared to \$36.4 million in the prior fiscal year third quarter.

Net loss in the third quarter of fiscal 2024 was \$6.3 million, or \$0.06 per share, compared to a net income of \$0.6 million, or \$0.01 per share, in the prior fiscal year third quarter. Adjusted EBITDA in the third quarter of fiscal 2024 was \$1.1 million, compared to \$8.3 million in the prior fiscal year third quarter.

Gross product orders in the third quarter of fiscal 2024 totaled \$89.1 million compared to \$73.8 million in the prior fiscal year third quarter. Order backlog as of March 31, 2024 was \$503.2 million, an increase of approximately 2 percent sequentially, and is approximately 1 percent lower than at the end of the prior fiscal year third quarter.

Cash, cash equivalents, and short-term restricted cash were \$61.1 million as of March 31, 2024, a decrease of \$12.1 million from December 31, 2023, and a decrease of \$28.8 million from June 30, 2023.

Fiscal Nine Months Results

Total net revenue in the first nine months of fiscal 2024 was \$312.3 million, compared to \$329.3 million in the same prior fiscal year period. Product revenue in the first nine months of fiscal 2024 was \$154.5 million, compared to \$170.7 million in the same prior fiscal year period. Service revenue in the first nine months of fiscal 2024 was \$157.8 million, compared to \$158.6 million in the same prior fiscal year period.

Total gross profit in the first nine months of fiscal 2024 was \$104.5 million, or 33.5 percent of total net revenue, compared to total gross profit of \$116.3 million, or 35.3 percent of total net revenue, in the same prior fiscal year period.

Operating expenses in the first nine months of fiscal 2024 was \$110.8 million compared to \$113.4 million in the same prior fiscal year period.

Net loss in the first nine months of fiscal 2024 was \$18.9 million, or \$0.19 per share, compared to a net loss of \$6.7 million, or \$0.07 per share, in the same prior fiscal year period. Adjusted EBITDA in the first nine months of fiscal 2024 was \$9.6 million, compared to \$18.7 million in the same prior fiscal year period.

Gross product orders in the first nine months of fiscal 2024 was \$246.7 million, compared to \$222.6 million in the same prior fiscal year period.

Fiscal Year 2024 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 and economic conditions, supply chain disruption, and the factors set forth under "Safe Harbor Statement" below.

The company is adjusting its guidance for fiscal year 2024 as follows:

- Total revenue is expected in the range of \$432 million to \$437 million.
 - Adjusted EBITDA is expected in the range of \$19 million to \$22 million.
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Guidance for non-GAAP financial measures excludes depreciation and amortization, stock-based compensation, interest expense, provision for income taxes, and ERP and ERP related expenditures. For more information regarding the non-GAAP financial measures discussed in this press release, please see "Use of Non-GAAP Financial Measures" below.

Conference Call Information

Accuray will host a conference call beginning at 1:30 p.m. PT/4:30 p.m. ET today to discuss results for the third quarter of fiscal 2024 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: 2071766. An archived webcast will also be available on Accuray's website until Accuray announces its results for the fourth quarter of fiscal 2024.

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, 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, stock-based compensation, ERP and ERP related expenditures and restructuring charges ("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 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.

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 Madison, Wisconsin, 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 company's ability to benefit from advances in long-term growth and profitability drivers; 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 strategic growth plan, progressing against long-term strategic goals, and continuing adoption of its technologies; the company's ability to execute on margin and profitability expansion initiatives; expectations regarding commercial strategy and execution as well as growth opportunities; expectations regarding the market in China, the company's China joint venture and the Tomo[®] C product as well as expectations with respect to other strategic partnerships and collaborations, including expected timing of regulatory clearances; expectations related to the markets and regions in which the company operates; expectations regarding new product introductions and innovations and their effect on use and adoption of the company's products; expectations regarding orders growth and its effect on market share as well as revenue, margin and adjusted EBITDA; expectations regarding backlog; expectations regarding the company's new training center; expectations regarding service contract revenue and non-contract service revenue; and the company's ability to advance patient care through innovation, expanded access to radiotherapy and improvements in overall profitability and working capital. 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 on the operations of the company and those of its customers and suppliers; disruptions to our supply chain, including increased logistics costs; the company's ability to achieve widespread market acceptance of its products; the company's ability to realize the expected benefits of the China joint venture and other partnerships; risks inherent in international operations; the company's ability to maintain or increase its gross margins on product sales and services; delays in regulatory approvals or the development or release of new offerings; the company's ability to meet the covenants under its credit facilities; the company's ability to convert backlog to revenue; and such other risks identified under the heading "Risk Factors" in the company's Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission (the "SEC") on February 7, 2024, and as updated periodically with the company's other filings with the SEC.

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

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Financial Tables to Follow

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Net revenue:				
Products	\$ 49,603	\$ 62,846	\$ 154,491	\$ 170,738
Services	51,529	55,214	157,771	158,575
Total net revenue	<u>101,132</u>	<u>118,060</u>	<u>312,262</u>	<u>329,313</u>
Cost of revenue:				
Cost of products	35,945	43,529	105,977	111,627
Cost of services	36,113	35,813	101,816	101,404
Total cost of revenue	<u>72,058</u>	<u>79,342</u>	<u>207,793</u>	<u>213,031</u>
Gross profit	29,074	38,718	104,469	116,282
Operating expenses:				
Research and development	10,909	14,209	40,203	42,942
Selling and marketing	10,318	11,130	31,923	35,511
General and administrative	12,409	11,063	38,656	34,990
Total operating expenses	<u>33,636</u>	<u>36,402</u>	<u>110,782</u>	<u>113,443</u>
Income (loss) from operations	(4,562)	2,316	(6,313)	2,839
Income from equity method investment, net	1,024	2,027	1,028	960
Other expense, net	(2,360)	(3,222)	(10,393)	(8,611)
Loss before provision for income taxes	(5,898)	1,121	(15,678)	(4,812)
Provision for income taxes	444	522	3,254	1,912
Net income (loss)	<u>\$ (6,342)</u>	<u>\$ 599</u>	<u>\$ (18,932)</u>	<u>\$ (6,724)</u>
Net income (loss) per share - basic	<u>\$ (0.06)</u>	<u>\$ 0.01</u>	<u>\$ (0.19)</u>	<u>\$ (0.07)</u>
Net income (loss) per share - diluted	<u>\$ (0.06)</u>	<u>\$ 0.01</u>	<u>\$ (0.19)</u>	<u>\$ (0.07)</u>
Weighted average common shares used in computing loss per share:				
Basic	<u>99,197</u>	<u>95,522</u>	<u>97,838</u>	<u>94,532</u>
Diluted	<u>99,197</u>	<u>97,455</u>	<u>97,838</u>	<u>94,532</u>

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

	March 31, 2024	June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 60,450	\$ 89,402
Restricted cash	674	524
Accounts receivable, net	73,154	74,777
Inventories	159,566	145,150
Prepaid expenses and other current assets	19,043	27,612
Deferred cost of revenue	1,023	568
Total current assets	313,910	338,033
Property and equipment, net	25,387	20,926
Investment in joint venture	13,586	15,128
Lease right-of-use assets, net	29,127	25,853
Goodwill	57,682	57,681
Intangible assets, net	70	210
Long-term restricted cash	1,030	1,276
Other assets	21,735	20,107
Total assets	\$ 462,527	\$ 479,214
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 44,430	\$ 33,739
Accrued compensation	21,604	23,793
Lease liabilities, current	5,279	4,151
Other accrued liabilities	30,703	38,271
Customer advances	15,392	20,777
Deferred revenue	73,734	72,185
Short-term debt	7,248	5,721
Total current liabilities	198,390	198,637
Lease liabilities, non-current	28,217	23,602
Long-term other liabilities	4,969	4,675
Deferred revenue, non-current	23,624	27,079
Long-term debt	166,246	171,562
Total liabilities	421,446	425,555
Equity:		
Common stock	99	97
Additional paid-in capital	563,958	555,276
Accumulated other comprehensive income (loss)	(1,908)	422
Accumulated deficit	(521,068)	(502,136)
Total equity	41,081	53,659
Total liabilities and equity	\$ 462,527	\$ 479,214

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Gross orders	\$ 89,086	\$ 73,764	\$ 246,676	\$ 222,647
Net orders	60,795	54,737	147,141	115,176
Order backlog	503,220	506,587	503,220	506,587
Book to bill ratio (a)	1.8	1.2	1.6	1.3

(a) Book to bill ratio is defined as gross orders for the period divided by product revenue for the period.

Accuray Incorporated
Reconciliation of GAAP Net Income (Loss) to Adjusted EBITDA
(in thousands)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
GAAP net loss	\$ (6,342)	\$ 599	\$ (18,932)	\$ (6,724)
Depreciation and amortization (a)	1,601	1,103	4,398	3,430
Stock-based compensation	2,735	1,559	7,441	7,601
Interest expense, net (b)	2,649	2,707	7,990	7,605
Provision for income taxes	444	522	3,254	1,912
Restructuring charges	—	800	2,633	2,738
ERP and ERP related expenditures	—	1,057	2,815	2,178
Adjusted EBITDA	<u>\$ 1,087</u>	<u>\$ 8,347</u>	<u>\$ 9,599</u>	<u>\$ 18,740</u>

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

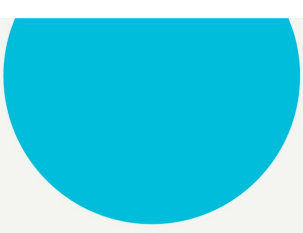
(b) Consists primarily of interest expense associated with outstanding debt.

Accuray Incorporated
Forward-Looking Guidance
Reconciliation of Projected GAAP Net Income (Loss) to Projected Adjusted EBITDA
(in thousands)
(Unaudited)

	Twelve Months Ending June 30, 2024	
	From	To
GAAP net loss	\$ (17,400)	\$ (14,400)
Depreciation and amortization (a)	6,000	6,000
Stock-based compensation	10,300	10,300
Interest expense, net (b)	10,700	10,700
Provision for income taxes	4,000	4,000
Restructuring charges	2,600	2,600
ERP and ERP related expenditures	2,800	2,800
Adjusted EBITDA	<u>\$ 19,000</u>	<u>\$ 22,000</u>

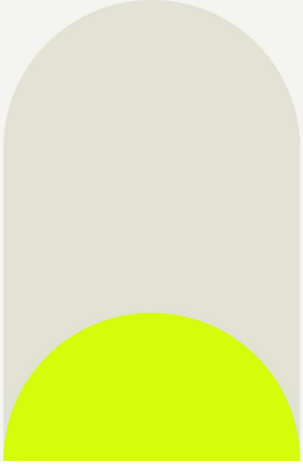
(a) Consists of depreciation, primarily on property and equipment as well as amortization of intangibles.

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



ACCURAY

Q3'FY24 Earnings Call Supplemental Presentation



May 1, 2024



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 adjusted EBITDA and revenue; our ability to deliver on our goals and strategic growth plans; our expectations related to the markets and regions in which we operate; expectations regarding our training centers; and expectations related to new product innovations and offerings as well as 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 effect of the global macroeconomic environment on our operations and those of our customers and suppliers; 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 and collaborations; risks inherent in international operations; our ability to effectively manage our growth; our ability to maintain or increase our gross margins on product sales and services; delays in regulatory approvals or the development or release of new offerings; our ability to meet the covenants under our credit facilities; our ability to convert backlog to revenue; and other risks identified under the heading "Risk Factors" in our quarterly report on Form 10-Q, filed with the Securities and Exchange Commission (the "SEC") on February 7, 2024, and as updated periodically with our other filings with the SEC.

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

Non-GAAP Financial Measures

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

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

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

Medical Advice Disclaimer

Accuray Incorporated as a medical device manufacturer cannot and does not recommend specific treatment approaches. Individual results may vary.

Goals

Advance Care
by providing solutions that address
the biggest pain points in RT

Drive Patient Access
to radiotherapy treatments in
developed and high potential
underserved markets

Delight Customers
by ensuring high operational
performance so no patient
is rescheduled



Hope



Confidence

30 Year History of Innovation Helping to Set New Standards in Care for the Radiotherapy Industry

ACCURAY

CyberKnife® Platform

First frameless SRS system

First robotic SBRT delivery system

First and only robotic radiation delivery system

First SRS/SBRT system to track and automatically adjust for motion in real time



TomoTherapy®/Radixact Platform

First to offer ring gantry platform

First to allow for continuous helical treatment delivery

First to integrate CT imaging with a linear accelerator

First to integrate daily CT imaging into the treatment process

Guided by Our Vision:

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



Grow revenue through innovation to advance care and expand access



Expand service revenue with installed base growth and value-added solutions



Operational excellence and efficiency



Profitability expansion
Strengthen balance sheet and cash flow

Delivering on Improving Patient Access

ACCURAY

Solution Showcase at the China Medical Equipment Fair 2024

Tomo® C System



CyberKnife® System

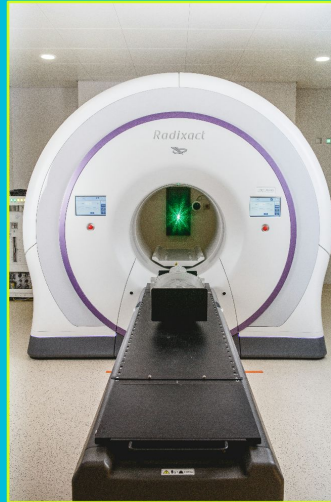


Largest Healthcare and Medical Equipment Industry Show in China

Expanding Value Added Service Solutions

Advancing Care Through Global Training Network

ACCURAY



- Accuray Innovation & Partnership Hub - Genolier, Switzerland
- Incremental training revenue opportunity
- Existing training hubs in Madison, Wisconsin, Tokyo, Japan and Tianjin, China¹
- State-of-the-art clinical education accessible around the world

1. Tianjin facility owned by CAMT.

Q3'FY24 and YTD Q3'FY24 Financials

ACCURAY

KEY FINANCIAL METRICS

SM	Q3	Y/Y	Y/Y XFX ²	YTD	Y/Y	YTD Y/Y XFX ²
Gross Orders	\$89.1M	21%	23%	\$246.7M	11%	11%
Revenues	\$101.1M	(14%)	(13%)	\$312.3M	(5%)	(6%)
Product	\$49.6M	(21%)	(20%)	\$154.5M	(10%)	(10%)
Service	\$51.5M	(7%)	(6%)	\$157.8M	(1%)	(1%)
Op. Expenses	\$33.6M	(8%)		\$110.8M	(2%)	
R&D	\$10.9M	(23%)		\$40.2M	(6%)	
SG&A	\$22.7M	2%		\$70.6M	0%	
Adj. EBITDA	\$1.1M	(87%)		\$9.6M	(49%)	



Q3 Summary

- Product innovation strategy drove customer adoption, leading to another quarter of strong order growth, delivering 21% YOY growth and a robust book to bill ratio of 1.8
- 4% YOY growth in installed base during the quarter, a key catalyst for our service contract business, which was up 2% YOY
- Mixed regional performance: Strong growth in EIMEA and APAC YTD; US headwinds due to longer capital equipment cycles
- Adjusting FY24 full year revenue and aEBITDA¹ guidance to reflect slowdown in the US market and further deterioration of the Yen

¹ Adjusted EBITDA is a non-GAAP measure. Please see Slides 11 and 12 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. 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.

Adjusted FY24 Guidance

Takes into account expectations regarding uncertainty and impact from macro environmental climate, FX and inflation

\$ in millions

FY24
Guidance Range

Revenue

\$432M - \$437M

Adjusted EBITDA¹

\$19M - \$22M

¹ Adjusted EBITDA is a non-GAAP measure. Please see Slide 13 for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure.

Thank you

GAAP to Adjusted EBITDA Q3 FY'24 and Q3 FY'23

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

ACCURAY

\$K	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
GAAP net income (loss)	\$ (6,342)	\$ 599
Depreciation and amortization	1,601	1,103
Stock-based compensation	2,735	1,559
Interest expense, net	2,649	2,707
ERP and ERP related expenditures	0	1,057
Restructuring charges	0	800
Provision for income taxes	444	522
Adjusted EBITDA	\$ 1,087	\$ 8,347

GAAP to Adjusted EBITDA YTD Q3 FY24 and YTD Q3FY23

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

ACCURAY

\$K	Nine Months Ended March 31, 2024	Nine Months Ended March 31, 2023
GAAP net income (loss)	\$ (18,932)	\$ (6,724)
Depreciation and amortization	4,398	3,430
Stock-based compensation	7,441	7,601
Interest expense, net	7,990	7,605
ERP and ERP related expenditures	2,815	2,178
Restructuring charges	2,633	2,738
Provision for income taxes	3,254	1,912
Adjusted EBITDA	\$ 9,599	\$ 18,740

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GAAP to Adjusted EBITDA FY'24 – 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, 2024	
	From	To
GAAP net income (loss)	\$ (17,400)	\$ (14,400)
Depreciation and amortization	6,000	6,000
Stock-based compensation	10,300	10,300
Interest expense, net	10,700	10,700
ERP and ERP related expenditures	2,800	2,800
Restructuring charges	2,600	2,600
Provision for income taxes	4,000	4,000
Adjusted EBITDA	\$ 19,000	\$ 22,000