

**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): **August 5, 2021**

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))

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, par value \$0.001 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 2.02. Results of Operations and Financial Condition.

On August 11, 2021, Accuray Incorporated (the “Company”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended June 30, 2021. A copy of the Company’s press release dated August 11, 2021, titled “Accuray Reports Fourth Quarter and Fiscal 2021 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, 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) On August 5, 2021, Shig Hamamatsu provided the Company with notice of his intent to resign from his position as Senior Vice President, Chief Financial Officer of the Company, which resignation will be effective on September 3, 2021. Mr. Hamamatsu’s resignation was not a result of any disagreement with the Company or its Board of Directors, or any matter relating to the Company’s operations, policies or practices.

(c) On August 10, 2021, the Company’s Board of Directors appointed Brandy Green, 58, as the Company’s Interim Chief Financial Officer, effective September 4, 2021. Ms. Green has served as the Company’s Vice President, Corporate Controller since September 2020. Prior to joining the Company, Ms. Green served as VP, Chief Process Officer at Electronics for Imaging, Inc., a company that specializes in digital printing technology that went private in 2019, from January 2018 to September 2020 and VP, Chief Accounting Officer from May 2010 to January 2018. From May 2008 to May 2010, she served as VP, Corporate Controller at Magellan/MiTAC Digital Corporation, a portable GPS navigation consumer electronics company that is a wholly-owned subsidiary of MiTAC International Corporation. Prior to that, she served as VP, Finance M&A and Integration at Oracle Corporation, a publicly traded computer technology corporation, from September 2006 to May 2008. Ms. Green began her career Ernst & Young LLP. Ms. Green received her B.S., Business Administration and Accounting from San Jose State University. She is a certified public accountant in the state of California.

In connection with her appointment as Interim Chief Financial Officer, the Company and Ms. Green entered into an offer letter for such position (the “Offer Letter”), pursuant to which Ms. Green’s annual base salary and target bonus opportunity will be increased to \$385,000 and 50%, respectively. In addition, as contemplated by the Offer Letter, the Compensation Committee of the Company’s Board of Directors approved granting Ms. Green an award of 30,000 restricted stock units (“RSUs”) under the Company’s 2016 Equity Incentive Plan, effective August 31, 2021 (the “RSU Award”). One hundred percent (100%) of the RSUs subject to the RSU Award will vest on August 31, 2022, subject to Ms. Green continuing to be an employee of the Company on such date.

Ms. Green is not a party to any arrangement or understanding regarding her selection as an officer. Ms. Green has no family relationships with any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer of the Company. Ms. Green is not a party to any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The foregoing description of the Offer Letter is a summary only and is qualified in its entirety by the full text of the Offer Letter, a copy of which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2021.

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 August 11, 2021. The presentation will be available on the Investor Relations page at Company’s 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 Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference into a filing under the Securities Act 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 August 11, 2021, titled “Accuray Reports Fourth Quarter and Fiscal 2021 Financial Results”
99.2	Accuray Fourth Quarter and Fiscal 2021 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 hereunto duly authorized.

ACCURAY INCORPORATED

Dated: August 11, 2021

By:

/s/ Jesse Chew
Jesse Chew
Senior Vice President & General Counsel

Joe Diaz
Investor Relations, Lytham Partners
+1 (602) 717-7804
jdiaz@accuray.com

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

Accuray Reports Fourth Quarter and Fiscal 2021 Financial Results

SUNNYVALE, Calif., August 11, 2021 — Accuray Incorporated (NASDAQ: ARAY) today reported financial results for the fourth quarter and fiscal year ended June 30, 2021.

Q4 Fiscal 2021 and Recent Operating Highlights

- Gross orders of \$112.7 million, an increase of 19 percent from the prior year
- Net revenue of \$110.9 million, an increase of 17 percent from the prior year
- Net loss of \$11.1 million including a one-time charge of \$9.9 million associated with debt refinancing; Adjusted EBITDA of \$6.7 million
- Extended maturities of both convertible notes and bank debt to 2026 with improved terms on both
- Received CE Mark certification ClearRT™ Helical kVCT Imaging for the Radixact® System

Fiscal Year 2021 Highlights

- Gross orders of \$325.9 million and the record ending backlog of \$616.4 million
- Net revenue of \$396.3 million, an increase of 3.5% from fiscal 2021, including \$54.2 million of China Type A system revenue
- GAAP operating income grew to \$22.2 million from \$12.5 million in the prior year
- Net loss \$6.3 million, Adjusted EBITDA of \$38.0 million
- Robust demand for ClearRT™ Helical kVCT Imaging for the Radixact® System: 44 global orders received since its commercial release

“Despite the challenging environment caused by the COVID-19 pandemic, we finished fiscal year 2021 on a strong note with 17% year-over-year revenue growth and 19% year-over-year gross order growth in the fourth quarter, both of which were ahead of our expectations,” said Josh Levine, chief executive officer of Accuray. “I am proud of the team’s execution during the quarter and for the entire year, considering the challenging operating environment created by the pandemic. In addition to delivering year-over-year revenue growth in fiscal 2021, we aggressively managed expenses and working capital, refinanced our debt with more favorable terms and believe that we have positioned the business for further growth through the successful commercial launch of high impact technology upgrades like ClearRT Helical kVCT Imaging for the Radixact System. Our product portfolio is the strongest it has ever been and we believe our continued investment in meaningful technology innovations will position the Company for growth going forward.”

Q4 Fiscal 2021 Financial Highlights

Gross product orders totaled \$112.7 million for the fourth quarter of fiscal 2021 compared to \$94.3 million for the prior fiscal year fourth quarter. Ending order backlog was \$616.4 million, approximately 2 percent higher than at the end of the prior fiscal year.

Total revenue was \$110.9 million for the fourth quarter of fiscal 2021 compared to \$95.0 million for the prior fiscal year fourth quarter. Product revenue totaled \$56.1 million compared to \$40.4 million for the prior fiscal year fourth quarter, while service revenue totaled \$54.8 million compared to \$54.6 million for the prior fiscal year fourth quarter.

Total gross profit for the fourth quarter of fiscal 2021 was \$43.7 million, or approximately 39.4 percent of sales, comprised of product gross margin of 41.5 percent and service gross margin of 37.3 percent. This compares to total gross profit of \$39.7 million, or 41.8 percent of sales, comprised of product gross margin of 45.0 percent and service gross

margin of 39.5 percent for the prior fiscal year fourth quarter.

Net loss was \$11.1 million, or \$0.12 per share, for the fourth quarter of fiscal 2021, compared to a net loss of \$0.2 million, or \$0 per share, for the prior fiscal year fourth quarter. Net loss for the fourth quarter of fiscal 2021 included a one-time charge of \$9.9 million related to the exchange of a significant portion of the Company's existing 3.75% Convertible Senior Notes due July 2022 for newly issued 3.75% Convertible Senior Notes due May 2026 and the refinancing of the Company's senior secured revolving credit facility and term loan with new lenders. This one-time charge was recorded as non-operating, other expense in the fourth quarter of fiscal 2021.

Adjusted EBITDA for the fourth quarter of fiscal 2021 was \$6.7 million, compared to \$10.0 million for the prior fiscal year fourth quarter.

Cash, cash equivalents, and short-term restricted cash were \$116.9 million as of June 30, 2021, a decrease of \$13.2 million from March 31, 2021.

Fiscal Year 2021 Highlights

For the fiscal year ended June 30, 2021, gross product orders totaled \$325.9 million, representing decline of 13.6 percent compared to the prior fiscal year period.

Total revenue was \$396.3 million for the fiscal year ended June 30, 2021 compared to \$382.9 million for the prior fiscal year period. Product revenue totaled \$176.6 million compared to \$167.3 million for the prior fiscal year period, while service revenue totaled \$219.6 million compared to \$215.6 million for the prior fiscal year period.

Total gross profit for the year ended June 30, 2021 was \$159.5 million, or 40.3 percent of sales, comprised of product gross margin of 42.2 percent and service gross margin of 38.7 percent. This compares to total gross profit of \$149.7 million, or 39.1 percent of sales, comprised of product gross margin of 42.7 percent and service gross margin of 36.3 percent for the prior fiscal year period.

Operating expenses were \$137.3 million, as compared to \$137.2 million for the prior fiscal year period.

Net loss was \$6.3 million, or \$0.07 per share, for the fiscal year ended June 30, 2021, compared to a net income of \$3.8 million, or \$0.04 per share, basic, for the prior fiscal year period.

Net loss included an interest expense of \$9.9 million related to the exchange of a significant portion of the Company's existing 3.75% Convertible Senior Notes due July 2022 for newly issued 3.75% Convertible Senior Notes due May 2026 and the refinancing of the Company's senior secured revolving credit facility and term loan with new lenders. The loss was recorded as non-operating, other expense in the fourth quarter of fiscal 2021.

Prior fiscal year net income included a non-cash, special gain of \$13.0 million related to the value of the Company's capital contribution to its China joint venture in exchange for the Company's 49 percent equity interest in the joint venture. This gain was recorded as non-operating, other income in the second quarter of fiscal 2020.

Adjusted EBITDA for the fiscal year ended June 30, 2021 was \$38.0 million, compared to \$27.4 million for the prior fiscal year period.

Fiscal Year 2022 Financial Guidance

The Company is introducing guidance for fiscal year 2022 as follows:

- Total revenue is expected to range between \$410.0 million to \$420.0 million, representing a year-over year growth at the midpoint of the range of 5%.
 - Adjusted EBITDA is expected to range between \$32.0 million to \$35.0 million.
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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.

CFO Departure

Shig Hamamatsu, Accuray's Chief Financial Officer, announced his resignation from the Company to pursue an opportunity in another industry. Mr. Hamamatsu will continue as Chief Financial Officer through September 3, 2021 to help ensure a smooth transition. The Company has appointed Brandy Green, the Company's Vice President, Corporate Controller, as Interim Chief Financial Officer effective September 4, 2021 and has initiated a national search to identify a permanent replacement.

"I want to thank Shig for all his contributions to Accuray during his tenure," said Josh Levine, chief executive officer of Accuray. "He was integral in helping us navigate the COVID-19 pandemic, strengthening our balance sheet, and positioning us for long-term growth."

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 fourth quarter of fiscal 2021 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: 10158497. An archived webcast will also be available on Accuray's website until Accuray announces its results for the first quarter of fiscal 2022.

Use of Non-GAAP Financial Measures

Accuray 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"). The calculation of adjusted EBITDA also excludes certain non-recurring, irregular and one-time items, including the non-cash, special gain related to Accuray's capital contribution to the China joint venture, one-time charge related to the refinancing of the Company's debt and convertible notes exchange, and costs associated with reduction of staff. 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.

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 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; expectations regarding the effect of the COVID-19 pandemic on the Company and the market in general; expectations regarding the Company's commercial strategy, including with respect to future sales in China and other underpenetrated markets; expectations regarding the Company's China joint venture; expectations regarding the Company's product innovations and developments; expectations regarding the Company's product portfolio and its ability to position the Company for growth; the impact of the Company's products on its customers and its business, and market adoption of such products, including with respect to the Company's Synchrony on Radixact, CyberKnife S7 System and Clear RT Helical kVCT Imaging upgrades as well as other strategic product innovations; expectations regarding the future of radiotherapy treatment; 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 effect of the COVID-19 pandemic on the operations of the Company and those of its customers and suppliers; the Company's ability to achieve widespread market acceptance of its products, including new product and software offerings; the Company's ability to develop new products or enhance existing products to meet customers' needs and compete favorably in the market, the Company's ability to effectively integrate and execute the joint venture, the Company's ability to realize the expected benefits of the joint venture; the ability of customers in China to obtain Class A or B user licenses to purchase radiotherapy systems; risks inherent in international operations; 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; 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 April 30, 2021 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
Consolidated Statements of Operations
(in thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	2021	2020	2021	2020
Gross Orders	\$ 112,672	\$ 94,293	\$ 325,929	\$ 377,295
Net Orders	63,038	74,607	191,881	280,537
Order Backlog	616,399	602,713	616,399	602,713
Net revenue:				
Products	\$ 56,145	\$ 40,410	\$ 176,647	\$ 167,302
Services	54,791	54,567	219,642	215,626
Total net revenue	<u>110,936</u>	<u>94,977</u>	<u>396,289</u>	<u>382,928</u>
Cost of revenue:				
Cost of products	32,863	22,221	102,100	95,882
Cost of services	34,342	33,011	134,682	137,325
Total cost of revenue	<u>67,205</u>	<u>55,232</u>	<u>236,782</u>	<u>233,207</u>
Gross profit	43,731	39,745	159,507	149,721
Operating expenses:				
Research and development	15,357	12,215	52,729	49,784
Selling and marketing	13,007	11,555	42,820	47,254
General and administrative	11,225	10,748	41,723	40,144
Total operating expenses	<u>39,589</u>	<u>34,518</u>	<u>137,272</u>	<u>137,182</u>
Income from operations	4,142	5,227	22,235	12,539
Income (loss) on equity investment, net	(149)	(371)	872	(149)
Other expense, net	(14,685)	(4,746)	(27,666)	(6,700)
Income (loss) before provision for income taxes	<u>(10,692)</u>	<u>110</u>	<u>(4,559)</u>	<u>5,690</u>
Provision for income taxes	400	262	1,752	1,863
Net income (loss)	<u>\$ (11,092)</u>	<u>\$ (152)</u>	<u>\$ (6,311)</u>	<u>\$ 3,827</u>
Net income (loss) per share - basic	<u>\$ (0.12)</u>	<u>\$ (0.00)</u>	<u>\$ (0.07)</u>	<u>\$ 0.04</u>
Net income (loss) per share - diluted	<u>\$ (0.12)</u>	<u>\$ (0.00)</u>	<u>\$ (0.07)</u>	<u>\$ 0.04</u>
Weighted average common shares used in computing income (loss) per share:				
Basic	<u>91,613</u>	<u>90,748</u>	<u>92,031</u>	<u>89,874</u>
Diluted	<u>91,613</u>	<u>90,748</u>	<u>92,031</u>	<u>90,623</u>

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

	June 30, 2021	June 30, 2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 116,369	\$ 107,577
Restricted cash	560	997
Accounts receivable, net	85,360	90,599
Inventories	125,929	134,374
Prepaid expenses and other current assets	21,547	21,227
Deferred cost of revenue	3,008	2,712
Total current assets	352,773	357,486
Property and equipment, net	12,332	15,349
Investment in joint venture	15,935	13,929
Goodwill	57,960	57,717
Intangible assets, net	435	663
Operating lease right-of-use assets	22,522	28,647
Other assets	18,141	17,136
Total assets	\$ 480,098	\$ 490,927
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 19,467	\$ 23,126
Accrued compensation	26,865	17,963
Operating lease liabilities, current	8,169	8,224
Other accrued liabilities	27,471	27,180
Customer advances	24,937	22,571
Deferred revenue	81,660	83,207
Short-term debt	3,790	—
Total current liabilities	192,359	182,271
Long-term other liabilities	7,766	7,416
Deferred revenue	23,685	24,125
Operating lease liabilities, non-current	17,441	24,173
Long-term debt	170,007	189,307
Total liabilities	411,258	427,292
Equity:		
Common stock	91	91
Additional paid-in capital	554,680	545,741
Accumulated other comprehensive income (loss)	2,093	(484)
Accumulated deficit	(488,024)	(481,713)
Total equity	68,840	63,635
Total liabilities and equity	\$ 480,098	\$ 490,927

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)

	Three Months Ended		Twelve Months Ended	
	2021	2020	2021	2020
GAAP net income (loss)	\$ (11,092)	\$ (152)	\$ (6,311)	\$ 3,827
Depreciation and amortization	1,498	1,960	6,389	7,526
Stock-based compensation	2,236	2,287	9,332	8,152
Interest expense, net	3,734	4,590	16,877	17,986
One-time charge related to debt refinance and convertible notes exchange (a)	9,948	—	9,948	—
Gain on contribution to equity method investment in joint venture (b)	—	—	—	(12,965)
Cost savings initiative (c)	—	1,058	—	1,058
Provision for income taxes	400	262	1,752	1,863
Adjusted EBITDA	\$ 6,724	\$ 10,005	\$ 37,987	\$ 27,447

(a) consists one-time charge related to the exchange of our 3.75% Convertible Notes due 2022 for our new 3.75% Convertible Notes due 2026 and the refinancing of revolving credit facility and term loan.

(b) consists of non-cash gain related to the value of the Company's capital contribution to the China joint venture.

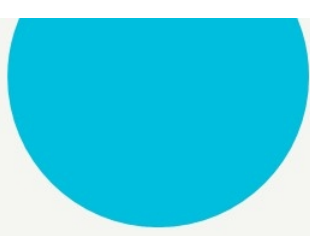
(c) consists of costs associated with reduction of staff.

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, 2022	
	From	To
GAAP net income (loss)	\$ (800)	\$ 2,200
Depreciation and amortization (a)	6,400	6,400
Stock-based compensation	10,200	10,200
Interest expense, net (b)	13,400	13,400
Provision for income taxes	2,800	2,800
Adjusted EBITDA	<u>\$ 32,000</u>	<u>\$ 35,000</u>

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

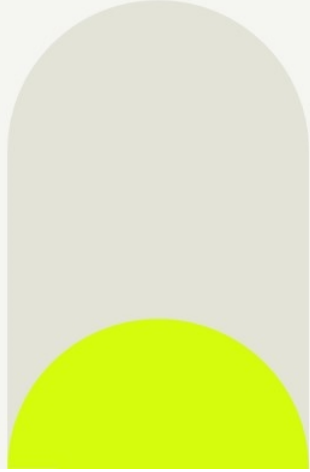
(b) consists primarily of interest expense associated with outstanding debt.



ACCURAY

Q4'FY21 Earnings Call

Fiscal Year End 2021



August 11, 2021



FORWARD-LOOKING STATEMENTS

ACCURAY

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: our results of operations, including expectations regarding total revenue and adjusted EBITDA as well as R&D expense and revenue conversion from China Type A sales; expectations regarding new product enhancements or offerings; our growth catalysts and drivers of revenue growth; expectations regarding operating leverage; ; expectations related to the market opportunity in China and our joint venture in China; our ability to continue to innovate and execute on our product portfolio and pipeline; expectations regarding system revenue contributions from China; expectations regarding the impact of the COVID-19 pandemic on the company; and expectations regarding our ability to accelerate revenue growth, gain market share and expand margin through fiscal year 2024. Forward-looking statements generally can be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "may," "will be," "will continue," "will likely result," 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: the effects of the COVID-19 pandemic on our business, financial condition, results of operations or cash flows; 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 effectively integrate and execute the joint venture; our ability to realize the expected benefits of the joint venture; risks and uncertainties related to future Type A and B license announcements in China; 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 April 30, 2021, 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 Slides 14, 15, and 16.

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.

2 Proprietary and Confidential Property of Accuray



Strong revenue performance with 17% Q4 Y/Y revenue growth



Record orders and \$616M backlog with 19% Q4 Y/Y order growth



Received CE marking for ClearRT™ helical kVCT imaging



3% net installed base growth driving future recurring service and upgrade revenues



Extended maturities of convertible notes and bank debt to 2026 with improved terms. Lowered cash interest costs by ~\$2M/year

Our Vision: Expand the Power of Radiation Therapy to Improve Patient Lives

ACCURAY

Powerful

Easy patient
experience

New therapeutic
options



Non-invasive

Improved outcomes
and quality of life

Hope

~ 3 Million patients treated in FY21

What We Accomplished in FY21

ACCURAY

Successful global product launches (ClearRT™, CyberKnife® S7™)

Continued progress in China; \$65M in system revenue, 195% Y/Y growth

Achieved #2 market share position in Japan

76 new system installations

44 ClearRT™ orders

Accelerated investment in R&D pipeline

**3.5% Y/Y
REVENUE
GROWTH**

**RECORD
BACKLOG
\$616M**

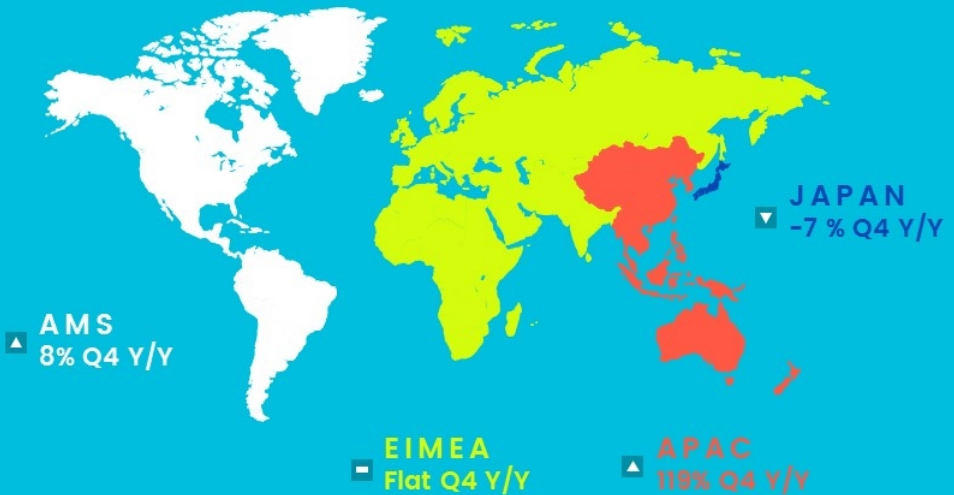
**GREW
GLOBAL IB
to 961 Units**

Growth Catalysts

Gross Order Performance by Region in Q4

ACCURAY

+19% Q4 Y/Y
▲ Global Order Performance



ClearRT™ "We were **impressed, intrigued, & surprised** – we expected ClearRT helical fan-beam CT would be superior to cone-beam CT, but didn't expect to have **trouble distinguishing ClearRT images from diagnostic CT.**"

Dr. Lane Rosen, M.D.

Willis-Knighton Cancer Center, Shreveport, LA

CyberKnife® S7™

Robotic delivery system
25 years leadership SRS/SBRT



Radixact® / TomoTherapy®

360° helical delivery system
Simple to complex treatments



Synchrony® "The ability to actually **track the tumor and treat it** with the smallest field in real-time is the way to go, and only Synchrony can do that."

Dr. Christopher J. Schultz, M.D.

Froedtert & the Medical College of Wisconsin

Accuray-only technology

Motion detection and real-time delivery adaptation
Superior kVCT imaging



Synchrony®



ClearRT™

- Unique JV partnership strategy
- 195% revenue growth FY21
- 80% market share in RT Type A segment
- On track for China-made market intro into high growth Type B segment
- Factory and training center complete



Radixact® X5 CIIE Launch



8

China facility, training center, CIIE tradeshow exhibit

KEY FINANCIAL METRICS

\$M	Q4	Y/Y	FY21	Y/Y
Gross orders	\$113M	19%	\$326M	(14%)
Revenues	\$111M	17%	\$396M	3%
Product	\$56M	39%	\$177M	6%
Service	\$55M	0%	\$220M	2%
Op. Expenses	\$39.6M	15%	\$137.2M	0.1%
R&D	\$15.4M	26%	\$52.7M	6%
SG&A	\$24.2M	9%	\$84.5M	(3%)
Adj. EBITDA	\$6.7M	(33%)	\$38M	38%



Highlights

- COVID impact reflective on Y/Y orders. New product innovation driving order momentum in Q4
- Strong Y/Y revenue growth in Q4 driven by China and Japan
- Installed base growth driving Y/Y annual service revenue increase



- Revenue: **\$410M – \$420M**
- Expected Revenue Growth: **>4% (5% midpoint)**
- Adjusted EBITDA¹: **\$32M – \$35M**

- Revenue guidance expected drivers:
 - Innovation: strong commercialization of new product introductions (Synchrony® and ClearRT™ on Radixact®) to drive incremental wins, trade-in, trade-up and upgrades
 - China: solid, steady China Type A revenue conversion to continue
 - Balanced regional performance: improved AMS performance and Japan and EIMEA demand
- Adjusted EBITDA¹ guidance, down ~\$3–6M from FY21 primarily due to expected:
 - Normalization of expenses commensurate with continued market recovery towards 2HFY22
 - Full year impact of FY21 R&D investment and additional strategic investments to accelerate revenue
- Significantly improved operational leverage vs. FY19 (the last full pre-Covid year):
 - Midpoint of FY22 adj. EBITDA guidance of \$33.5M represents 41% growth over FY19² at relatively same levels of revenue
 - FY22 guidance implies \$17–18M reduction in SG&A spend vs. FY19, enabling increased R&D investment in FY22
 - Expect FY22 R&D spend to represent 14–15% of revenue to drive continued innovation and top-line growth

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

-  **Entering FY22 With Accelerating Momentum**
-  **Strongest Product Portfolio and Pipeline in Company's History**
-  **Multiple Growth Catalysts and Global Commercial Execution**
-  **Strengthened Leadership Team and Operational Foundation**

Positioned for Accelerated Revenue Growth, Market Share Gains and Margin Expansion Through FY24

Save the Date: Accuray Annual Investor Day

To take place during 2021 ASTRO Annual Meeting

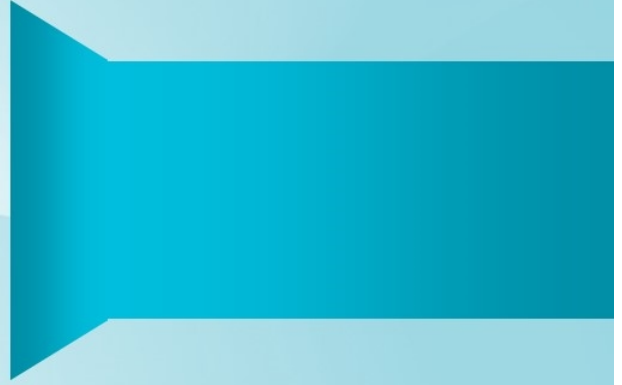
ACCURAY

Monday, October 25th, 2021 (post market close)

Marriott Marquis Chicago

Details to follow in coming days

THANK YOU



GAAP to Adjusted EBITDA FY2021

ACCURAY

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

\$K	Three Months Ended June 30		Twelve Months Ended June 30	
	2021	2020	2021	2020
GAAP net income (loss)	\$ (11,092)	\$ (152)	\$ (6,311)	\$ 3,827
Depreciation and amortization	1,498	1,960	6,389	7,526
Stock-based compensation	2,236	2,287	9,332	8,152
Interest expense, net	3,734	4,590	16,877	17,986
One-time charge related to debt refinance and convertible exchange (a)	9,948	—	9,948	—
Gain on contribution to equity method investment in joint venture (b)	—	—	—	(12,965)
Cost savings initiative (c)	—	1,058	—	1,058
Provision for income taxes	400	262	1,752	1,863
Adjusted EBITDA	\$ 6,724	\$ 10,005	\$ 37,987	\$ 27,447

(a) consists of one-time charge related to the exchange of our 3.75% Convertible Senior Notes due July 2022 for our new 3.75% Convertible Senior Notes due May 2026 and the refinancing of our senior secured revolving credit facility and term loan with new lenders.

(b) consists of non-cash gain related to the value of the Company's capital contribution to the China joint venture.

(c) consists of costs associated with reduction of staff.

GAAP to Adjusted EBITDA FY2022 Guidance

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

ACCURAY

\$K	Twelve Months Ended Projection for June 30, 2022	
	Low	High
GAAP net income (loss)	\$ (800)	\$ 2,200
Depreciation and amortization	6,400	6,400
Stock-based compensation	10,200	10,200
Interest expense, net	13,400	13,400
Provision for income taxes	2,800	2,800
Adjusted EBITDA	\$ 32,000	\$ 35,000

GAAP to Adjusted EBITDA FY2019

ACCURAY

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

\$K	Three Months Ended	Twelve Months Ended
	June 30	June 30
	2019	2019
GAAP net income (loss)	\$ (1,400)	\$ (16,430)
Depreciation and amortization	2,178	8,266
Stock-based compensation	2,822	10,601
Interest expense, net	3,973	15,015
Impairment charge (a)	—	3,707
Cost savings initiative (b)	511	1,509
Gain on lease termination (c)		(1,007)
Provision for income taxes	864	2,086
Adjusted EBITDA	\$ 8,948	\$ 23,747

(a) consists of an accounts receivable impairment charge related to one customer in the first quarter of 2019

(b) consists of costs associated with reduction of staff

(c) consists of a non-cash reversal of deferred rent related to a facility lease that was terminated

