

INNOVATING
patient-first
CANCER TREATMENT

Accuray Investor Presentation

January 9th, 2019

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: our strategic priorities for fiscal 2019; our expectations regarding new and future product upgrades, including the expected benefits of the same; our ability to improve our cash position and intention to continue to pay down debt; our expectations related to our convertible note exposure; our future results of operations and financial position, including management's expectations regarding revenue, adjusted EBITDA and gross orders; our expectations regarding the impact of our workforce reduction, including the amount and timing of anticipated cost savings; expectations regarding the radiation therapy market; the success of our current and future products and their impact on our business; our belief that our products offer clinicians and patients significant benefits over other radiation therapy systems in the market; our expectations regarding order growth and long-term market expansion opportunities; the growth of clinical data validating the clinical value of our products; and our expectations regarding factors affecting our foreign operations. 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: our ability to achieve widespread market acceptance of our products; our ability to effectively management our growth; our ability to maintain or increase our gross margins on product sales and services; our ability to meet the covenants under our credit facilities; anticipated regulatory approvals and launches of new products; our ability to convert backlog to revenue; the success of our worldwide sales and marketing efforts; 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 24, 2018, our quarterly report on Form 10-Q, filed with the SEC on November 6, 2018, 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.

This presentation also contains a non-GAAP financial measure. Management believes that this non-GAAP financial measure provides useful supplemental information to management and investors regarding the performance of the company and facilitates a more meaningful comparison of results for current periods with previous operating results. Additionally, it will assist management in analyzing future trends, making strategic and business decisions, and establishing internal budgets and forecasts. A reconciliation is available in the appendices.



AGENDA

INVESTMENT CONSIDERATIONS

Market Dynamics

China Market Opportunity

Accuray Advantage: Motion Synchronization

Accuray Portfolio

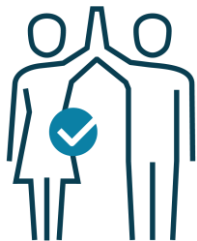
Improving Financial Performance



Market Dynamics

Demand Gap & Growth Catalyst

GROWING RADIATION THERAPY MARKET



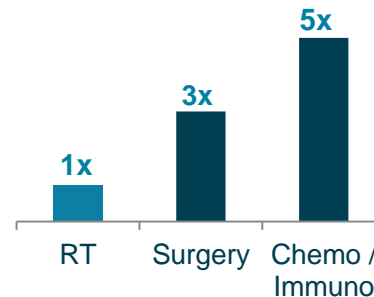
50-60%

of cancer patients
worldwide would benefit
from Radiation Therapy



10%

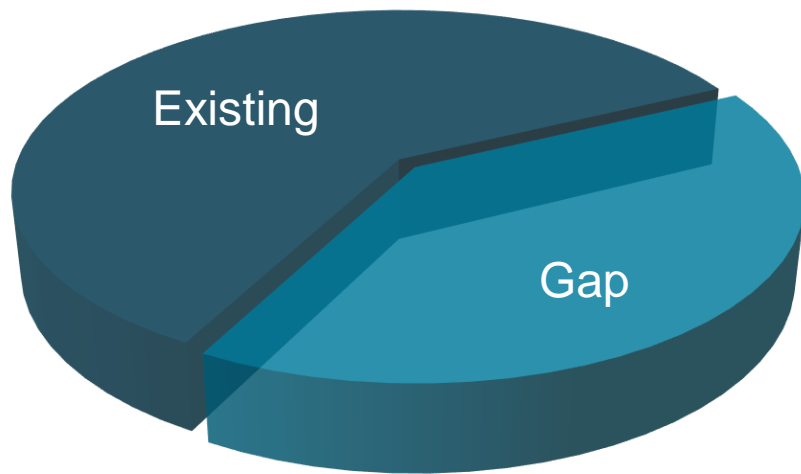
of patients in low-income
countries have access to
Radiation Therapy



4X

more cost effective to
treat with Radiation
Therapy than Chemo

CAPACITY GAP



Linear Accelerators

Existing in 2015	13,100
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Needed by 2035	21,800
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Gap	8,700*
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CHINA MARKET OPPORTUNITY

License announcement provides visibility on market opportunity through 2020

Expanded China Quota and Market Opportunity for Accuray

	Current Accuray Products	Quota through 2020	End User Price
Type A "Premium"	Radixact®	188	> \$4M**
	Tomo HD-A™ & HD®		Previous Quota Success
	CyberKnife®		
Type B "Core"	Tomo H®	1,208	< \$4M **
	Onrad™		New Opportunity



** Price to end user. ARAY sells through distributor. Threshold 30M RMB

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LEADING PRODUCT OFFERINGS



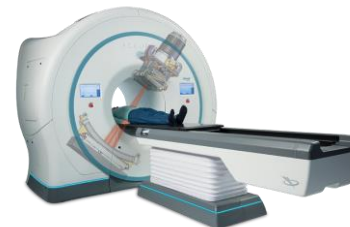
CyberKnife®



Radixact®

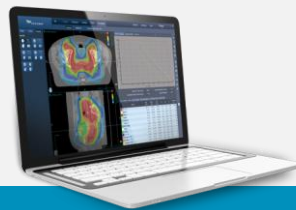


TomoTherapy®



Onrad®

iDMS™
ACCURAY®



ACCURAY
Precision®

~ 900 Installed Systems Worldwide

Accuray Advantage

MOTION SYNCHRONIZATION

MOTION SYNCHRONIZATION

Accuray Advantage

- ✓ Only Solution for true motion tracking (bringing the beam to the tumor)
- ✓ Enables tighter dosing margins, sparing healthy tissues
- ✓ Accurate, precise, efficient

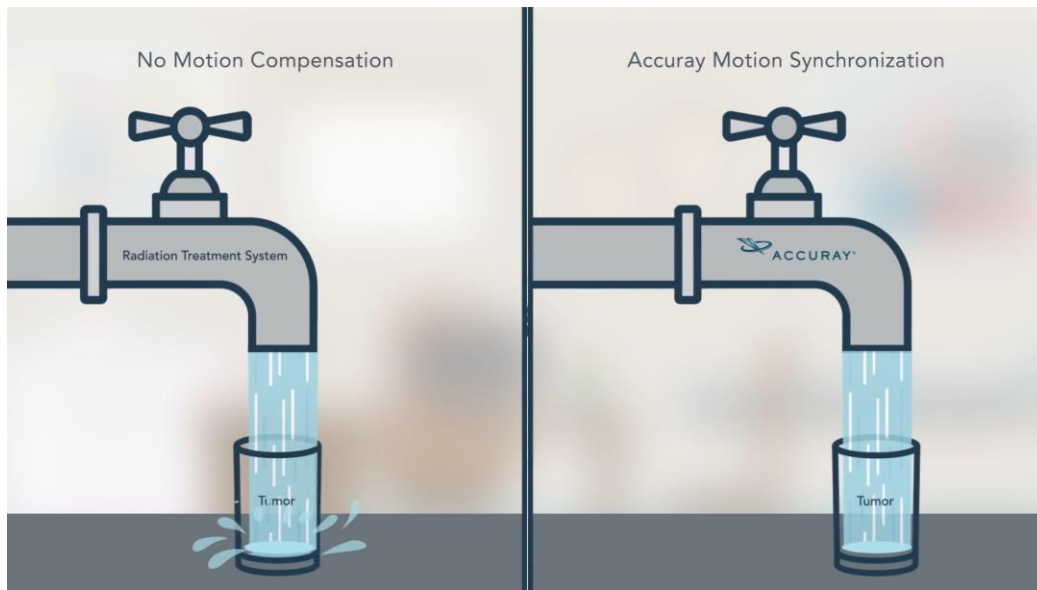
“Synchrony is the major advantage CK has over competing systems especially in the treatment of moving targets such as lung and breast.”

Jonathan Haas
NYU Winthrop

MOTION SYNCHRONIZATION

Bring the beam to the tumor, not the tumor to the beam

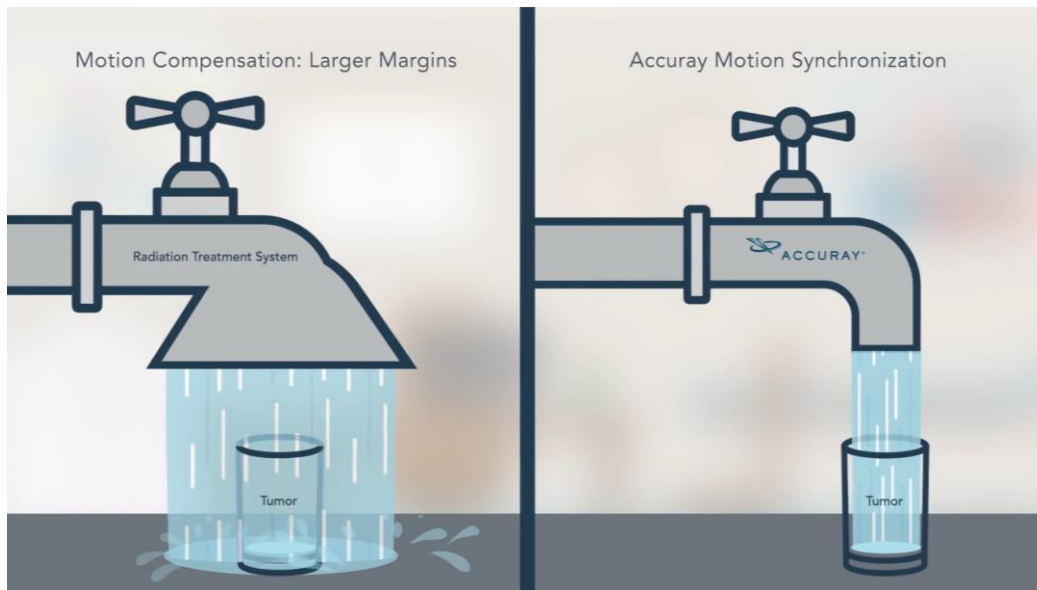
No motion compensation vs. Synchrony



MOTION SYNCHRONIZATION

Bring the beam to the tumor, not the tumor to the beam

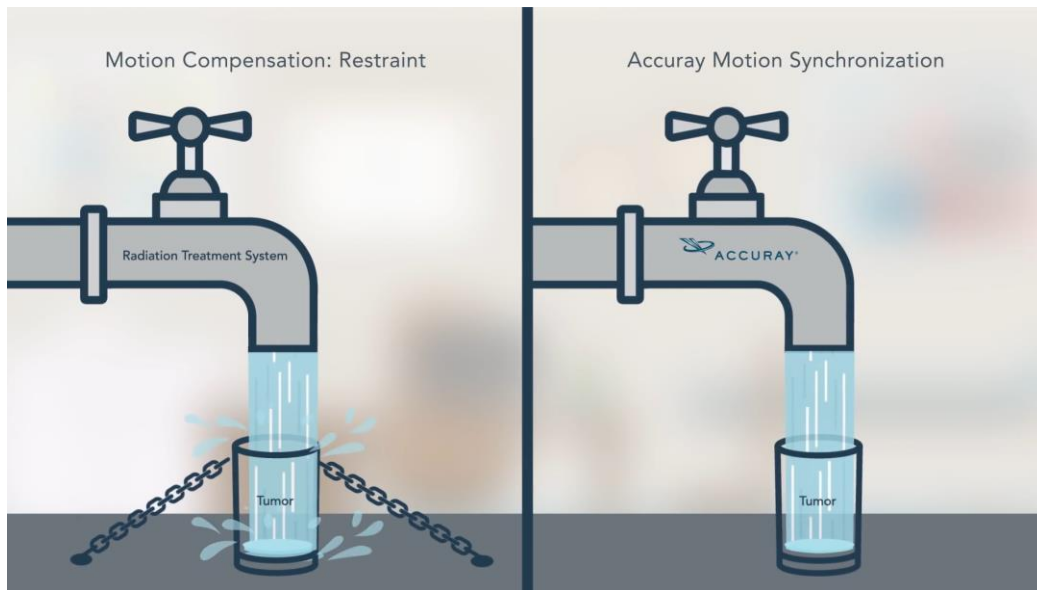
Larger margins vs. Synchrony



MOTION SYNCHRONIZATION

Bring the beam to the tumor, not the tumor to the beam

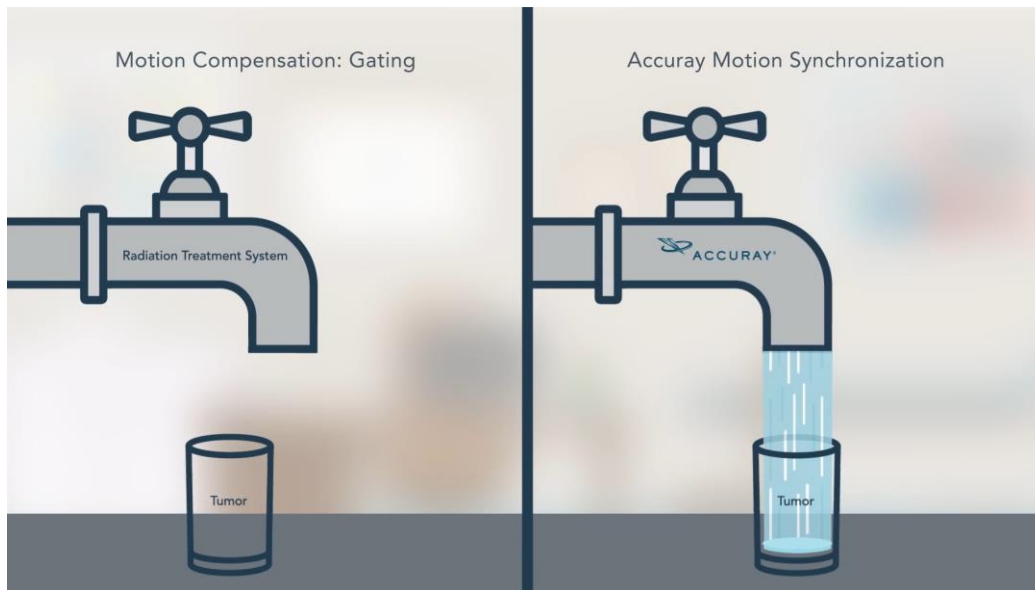
Restraint vs. Synchrony



MOTION SYNCHRONIZATION

Bring the beam to the tumor, not the tumor to the beam

Gating vs. Synchrony



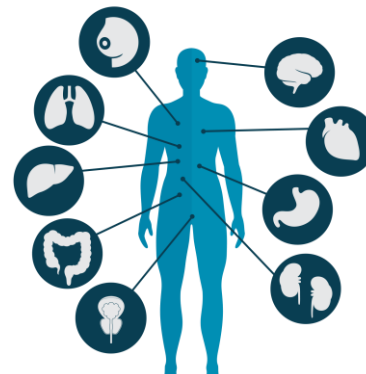
Accuray Portfolio

Innovation Leadership & Strong Value Proposition for Customers

CYBERKNIFE® PRECISE ROBOTIC TREATMENT

Motion synchronization enables greater precision

- ✓ The **ONLY** fully robotic radiation therapy system
 - Delivering automatic, *real-time tracking and motion synchronization*
- ✓ Improved clinical outcomes
 - Sub-millimeter precision and reduced toxicity
- ✓ Versatility across indications & patients
 - Expanded clinical utility including intracranial, lung, liver, prostate
- ✓ Improved patient experience and payer cost-effectiveness
 - *Hypo fractionated* SBRT enables fewer fractions, *benefiting patients and payers*



CYBERKNIFE® VOLO OPTIMIZER: SOFTWARE UPGRADE

Enabling Faster Planning and Treatment Times

Introduced at ASTRO 2018

Key Features

- ✓ State-of-the art optimizer
- ✓ Simple planning
- ✓ Better plan quality

“Every plan got better – faster treatment times too!”

David Myers

CMD Spartanburg Regional Healthcare System, SC

Key benefits

- ✓ **With Volo & MLC can now treat in 15 to 30 minutes, depending on disease site**
- ✓ Reduces treatment delivery and planning times by up to 50%¹ and 90%¹ respectively
- ✓ Increases efficiencies in creating CyberKnife® treatment plans
- ✓ Increases patient throughput
- ✓ Driving improved ROI

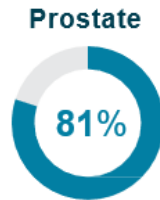
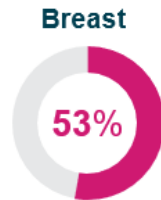
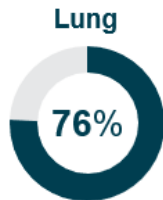


HYPO-FRACTIONATION

Enabled by CyberKnife precision

A DRAMATIC REDUCTION IN CANCER TREATMENT TIMES

Hypofractionation typically reduces treatment times dramatically for a number of different indications:



shorter *total* treatment times

Hypofractionation
≤5 FRACTIONS

Conventional Fractionation
29 - 39 FRACTIONS

WELL POSITIONED FOR VALUE-BASED CARE

CYBERKNIFE® PROSTATE CLINICAL DATA

Long Term Prostate Results*

>750 Patients and 39 Centers

5 Year Follow Up*

Dr. Meier Multi-Center Study

- **97%** of low-and intermediate-risk patients had excellent cancer control with minimal/rare side effects

Dr. Fuller Multi-Center Study

- **100%** of low-risk and 89% of intermediate-risk patients had excellent cancer control with minimal/rare side effects

10 Year Follow Up*

Dr. Katz Study

- **98%** of low-risk patients had cancer control



Meier R. et al. Int. J. Radiat. Oncol. Biol. Phys. 2018; 102(2): 296-303
Fuller D.B. et al. European Urology Oncology. 2018; 1(6): 540-547
Katz A. Cureus. 2017; 9(9): e1668

Disease-Free Survival Rates	Accuracy CyberKnife	Conventional Radiation
Low-risk patients	97% - 100%	92% - 94%
Intermediate-risk patients	89% - 97%	85% - 90%



RADIXACT® SYSTEM

IG-IMRT “Workhorse” System

✓ High Precision Enables Versatile Case Mix

- Case mix capabilities from simple to complex

✓ Faster, More Efficient, Reliable Delivery

- Solution for single and multi-vault facilities (*expanding market opportunity*)

✓ Differentiating Features

- Helical/direct delivery drives improved dose contouring & shorter treatment time

✓ Platform for Leading Edge Innovation

- Upgrade pathway to motion synchronization capability



Radixact®

BRINGING MOTION SYNCHRONY® TO RADIXACT

Real-time motion synchronization

Radiation beam continuously synchronized to tumor position for all moving targets



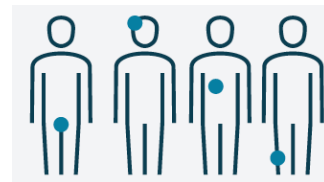
Accurate & Precise

Preserve healthy tissues and expands retreatment opportunity



Efficient

Faster treatment for patients and improved throughput



Hypo-fraction Made Possible

Confidence in precision and versatility across indications

RADIXACT UPGRADE PATHWAY

Improved imaging resolution and adaptive therapy

Radixact Competitive Advantage

Motion Synchronization

Future Imaging Enhancements (KVCT)

Economical Adaptive Therapy Solution



IMPROVING FINANCIAL PERFORMANCE

FINANCIAL GUIDANCE: FY2019¹



REVENUE

\$415 million to \$425 million

3-5% YoY growth

4-8% YoY product revenue growth



GROSS ORDERS

Growth over prior year of \$305M



Adj. EBITDA

\$23 million to \$29 million²

35-70% YoY growth

1. FY2019 Guidance as presented on Q1 earnings release dated October 30, 2018. Prior guidance has not been updated and this is not intended as a reaffirmation of prior guidance
2. Please see Appendix A for reconciliation of GAAP Net Loss to Adj. EBITDA (FY19 Guidance bridge)

FINANCIAL OVERVIEW: Q1 2019 RESULTS

Q1 2019 Results¹

Gross Orders: \$61 million, +10% Y/Y

Revenue: \$96 million, +5% Y/Y

Product Revenue: \$42 million, +7% Y/Y

Service Revenue: \$54 million, +4% Y/Y

Adjusted EBITDA²: \$4 million, +26% Y/Y

Ending Backlog³: \$462 million



BALANCE SHEET / CAPITAL STRUCTURE IMPROVEMENT

Significant progress over the last two years:

Lowered overall debt exposure: from \$215 million (2.5 yrs. ago) to ~\$150 million

- Recent retirement of our February 2018 convertible notes using cash
- Issuance of minimal shares of our common stock

Lowered overall convertible note exposure: from \$215 million (2.5 yrs. ago) to \$85 million

- While reducing potential shareholder dilution

As we continue to improve our financial position, we intend to lower overall debt and strengthen our capital structure.

PATH TO GAAP NET INCOME

Expect to reduce compensation expenses by \$15 million annually (full benefit realized by June 2019)

- ✓ **Strategic:** Workforce reduction achieved primarily across non-commercial functions
- ✓ **Innovation Uninterrupted:** No impact to roadmap pipeline
- ✓ **Path to Profitability:** Actions are designed to provide clear path to GAAP net income

THANK YOU



NASDAQ: ARAY

APPENDIX A

Reconciliation of GAAP Net Loss to Adjusted EBITDA (FY'19 Guidance)

Numbers in 000's	From	To
GAAP Net Loss	\$ (23,000)	\$ (17,000)
Depreciation and Amortization(a)	10,100	10,100
Stock-based Comp	13,000	13,000
Impairment charge (b)	3,700	3,700
Cost initiative (c)	2,000	2,000
Interest Expense, Net (d)	15,100	15,100
Provision for Income Taxes	2,100	2,100
Adjusted EBITDA	23,000	29,000

- (a) Consists of depreciation, primarily on property and equipment as well as amortization of intangibles.
- (b) Consists of a one-time accounts receivable impairment charge related to one customer recorded in the first quarter of 2019.
- (c) Consists of costs associated with a staff reduction expected to be recorded in the second quarter of 2019.
- (d) Consists primarily of interest expense associated with our outstanding debt.

APPENDIX B

Reconciliation of GAAP Net Loss to Adjusted EBITDA (Q1'19)

Numbers in 000's	Q1'19
GAAP Net Loss	\$ (9,206)
Depreciation and Amortization(a)	2,129
Stock-based Comp	3,212
Impairment charge (b)	3,707
Interest Expense, Net (c)	3,592
Provision for Income Taxes	535
Adjusted EBITDA	3,969

- (a) Consists of depreciation, primarily on property and equipment as well as amortization of intangibles.
- (b) Consists of a one-time accounts receivable impairment charge related to one customer
- (c) Consists primarily of interest income from available-for-sale securities, interest expense associated with our outstanding debt