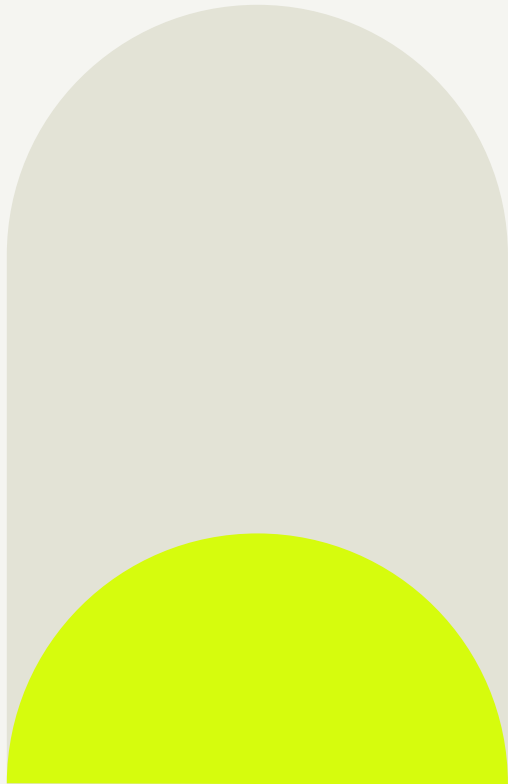


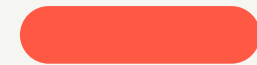


ACCURAY

# Q1'FY23 Earnings Call



November 2, 2022



# Forward-looking Statements

**This presentation is intended exclusively for investors. It is not intended for use in Sales or Marketing.**

## Safe Harbor Statement

Statements in this presentation (including the oral commentary that accompanies it) that are not statements of historical fact are forward-looking statements and are subject to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this presentation relate, but are not limited, to: expectations regarding fiscal 2023 full-year adjusted EBITDA and revenue; our positioning and strategy for accelerating revenue growth and market share; expectations regarding our growth catalysts and strategic pillars; expectations regarding ultra hypo-fractionation and the golden-age of radiotherapy; expectations regarding continued rapid adoption of ClearRT; expectations regarding orders growth momentum; expectations regarding new product enhancements or offerings and partnerships; and expectations related to our revenue growth and market share going forward. Forward-looking statements generally can be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “projects,” “may,” “will be,” “will continue,” and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from expectations. These risks and uncertainties include, but are not limited to: risks related to the current global economic environment and the effects of the COVID-19 pandemic on our business, financial condition, results of operations or cash flows; disruptions to our supply chain, including increased logistics costs; our ability to achieve widespread market acceptance of our products, including new product offerings and improvements; our ability to develop new products or enhance existing products to meet customers’ needs and compete favorably in the market; our ability to realize the expected benefits of the joint-venture and other partnerships; risks inherent in international operations; our ability to effectively manage our growth; our ability to maintain or increase our gross margins on product sales and services; delays in regulatory approvals or the development or release of new offerings; our ability to meet the covenants under our credit facilities; our ability to convert backlog to revenue; and other risks identified under the heading “Risk Factors” in our annual report on Form 10-K, filed with the Securities and Exchange Commission (the “SEC”) on August 17, 2022, and as updated periodically with our other filings with the SEC.

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

## Non-GAAP Financial Measures

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

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

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

## Medical Advice Disclaimer

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

# Executive Team



**Suzanne Winter**

President and CEO



**Ali Pervaiz**

Senior Vice President,  
Chief Financial Officer



**Sandeep Chalke**

Senior Vice President,  
Chief Commercial  
Officer



**Jean-Philippe Pignol**

Senior Vice President, Chief  
Medical and Technology  
Officer



**Jesse Chew**

Senior Vice President,  
General Counsel



**Mike Hoge**

Senior Vice President,  
Global Operations



**Patrick Spine**

Senior Vice President,  
Chief Administrative  
Officer



**Jim Dennison**

Senior Vice President,  
Global Quality &  
Regulatory Affairs

## Global Leader in Precision Radiation Therapy

Leveraging Technology Innovation to Protect Lives and Improve Quality of Life



**14%**

R&D Spend  
In FY22<sup>2</sup>

**392**

Patents  
In Portfolio<sup>1</sup>

Key FY22  
Financials

**\$430M** Total  
Revenue

**22%** YOY Product  
Revenue  
Growth



**2 Precision  
Platforms**



**1,000+**

Global Employee  
Presence<sup>1</sup>

**1,000<sup>th</sup>**

Installed Base  
Milestone Expected  
by End of 2022

Main Manufacturing  
Facility Madison, WI

1: As of October 20, 2022

2: Estimated percentage of revenue invested into R&D

# Entering the Golden Age of Radiotherapy

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

**Shorter  
Treatment  
Regimens**

Curative Power  
Clinically Proven Outcomes  
Value-based Care

**Imaging  
Innovation**

CT Sim Image Quality  
Same day  
Scan/Plan/Treat

**Correct for  
CHANGES**

Real Time Correction  
DURING delivery  
Plan Correction  
BETWEEN treatments

**Powerful  
Partnerships**

Interoperability  
Best-in-Class Solutions

**Clinical  
Innovation**

Evidence Generation  
Advanced Education

**Reduced Patient Burden – Advanced Precision – Clinical Evidence**

# Key Highlights



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



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



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



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

# Q1'FY23 Installations

Examples of Accuray Systems installed to positively impact patients' lives

## St. Catherine Hospital East Chicago



CyberKnife® S7™ System

## Oscar Lambret Center Lille, France



Radixact® System

## Akita City Hospital Akita, Japan



Radixact System

# Accuray at ASTRO 2022

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## Education Highlights

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

## Accuray – C-RAD

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

AI & EI: CARING FOR THE PATIENT  
IN A WIRELESS WORLD

**ASTRO**  
ANNUAL 2022 MEETING



## Accuray – RaySearch

Radixact® System + **ARTemis**  
Leverage Accuray ClearRT™ imaging, RayStation RayCare  
Online adaptive solution\*\*

## Accuray – Brainlab

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

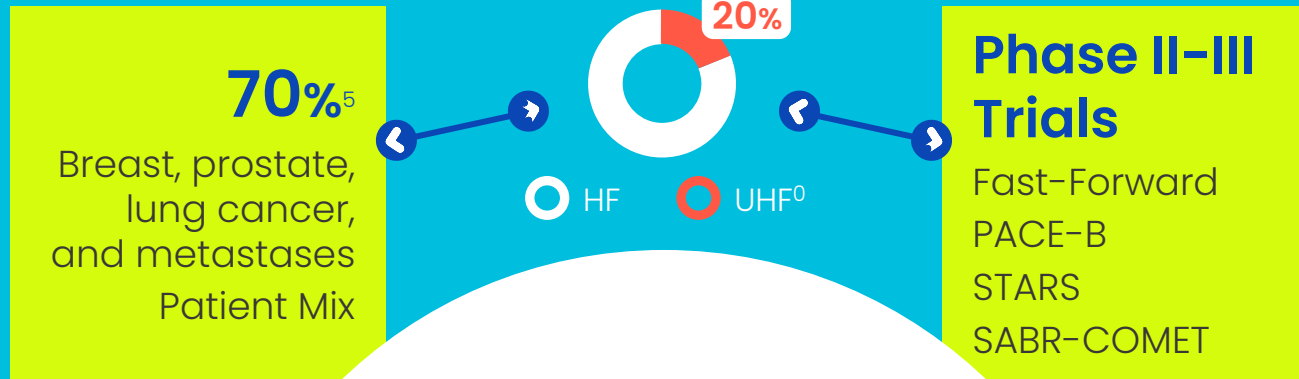


# Ultra-Hypofractionation is Ready for Prime-Time

ACCURAY

20% Adoption<sup>0</sup> growing with Phase II-III clinical evidence

## Adoption



HF:  
hypofractionation

UHF: ultra-  
hypofractionation

## Growing Clinical Evidence Supports UltraHF Treatments

### Fast-Forward Trial

- Local control and toxicity after ultra-hypofractionated is comparable to standard treatment for early-stage **breast** cancer<sup>1</sup>

### PACE-B Trial

- Long-term toxicity after SBRT is comparable to hypofractionated for localized **prostate** cancer<sup>2</sup>

### STARS Trial

- Long-term survival after SBRT comparable to surgery for early-stage **lung** cancer<sup>3</sup>

### SABR-COMET Trial

- SBRT is associated with an improvement in overall survival for **oligometastatic** disease<sup>4</sup>

<sup>0</sup> Hypofractionated radiotherapy in the real-world setting: An international ESTRO-GIRO survey

<sup>1</sup> Brunt et al. Lancet. 2020;395(10237):1613-1626. doi:10.1016/S0140-6736(20)30932-6

<sup>2</sup> Van As et al. Journal of Clinical Oncology 37, no. 7\_suppl (March 01, 2019) 1-1. DOI: 10.1200/JCO.2019.37.7\_suppl.

<sup>3</sup> Murray Brunt et al. Lancet. 2020 May 23;395(10237):1613-1626. doi: 10.1016/S0140-6736(20)30932-6.

<sup>4</sup> Harrow et al. International Journal of Radiation Oncology, Biology, Physics. 2022, doi: <https://doi.org/10.1016/j.ijrobp.2022.05.004>

<sup>5</sup> Incidence based model (Globocan data), Fractionation (The Lancet Oncology), Metastatic percentage (Rosenblatt et al.)

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



## Highlights

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

# Q1'FY23 Financials

Strong financial performance despite macro headwinds

ACCURAY

## KEY FINANCIAL METRICS

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



## Highlights

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

<sup>1</sup> Adjusted EBITDA is a non-GAAP measure. Please see Slide 15 for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure

<sup>2</sup> Percentages shown on a constant currency basis to facilitate period-to-period comparisons without regard to the impact of foreign currency exchange rate fluctuations

# Maintaining FY23 Guidance Communicated

## August 10, 2022

ACCURAY

\$ in millions % = YoY Growth	FY22 Actual	FY23 Guidance Range
Revenue	\$429.9M	<b>\$447M - \$455M</b> +4% - 6%
Adjusted EBITDA <sup>1</sup>	\$22.8M	<b>\$26M - \$30M</b> +14% - 32%

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

# In Summary

ACCURAY



Growing momentum with 32 orders in the quarter



Strongest product portfolio and pipeline in company's history



Multiple growth catalysts and global commercial execution



Focused on margin expansion and free cash flow

Positioned for  
**Long-Term  
Revenue Growth  
and Market  
Share Gain**

**Thank you**

# GAAP to Adjusted EBITDA Q1 FY2023 and Q1 FY2022

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

ACCURAY

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

# GAAP to Adjusted EBITDA FY2022 and FY2021

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

ACCURAY

\$K	Twelve Months Ended June 30 2022	Twelve Months Ended June 30 2021
GAAP net income (loss)	\$ (5,347)	\$ (\$6,311)
Depreciation and amortization	5,522	6,389
Stock-based compensation	10,600	9,332
Interest expense, net	8,109	16,877
ERP and ERP related expenditures	594	0
One-time charge related to debt refinance and convertible exchange	0	9,948
Provision for income taxes	3,345	1,752
Adjusted EBITDA	\$ 22,823	\$ 37,987



# GAAP to Adjusted EBITDA FY2023 – Forward Looking Guidance

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

ACCURAY

\$K	Twelve Months Ended June 30, 2023	
	From	To
GAAP net income (loss)	\$ (3,500)	\$ 500
Depreciation and amortization	6,300	6,300
Stock-based compensation	11,600	11,600
Interest expense, net	8,000	8,000
ERP and ERP related expenditures	1,600	1,600
Provision for income taxes	2,000	2,000
Adjusted EBITDA	\$ 26,000	\$ 30,000