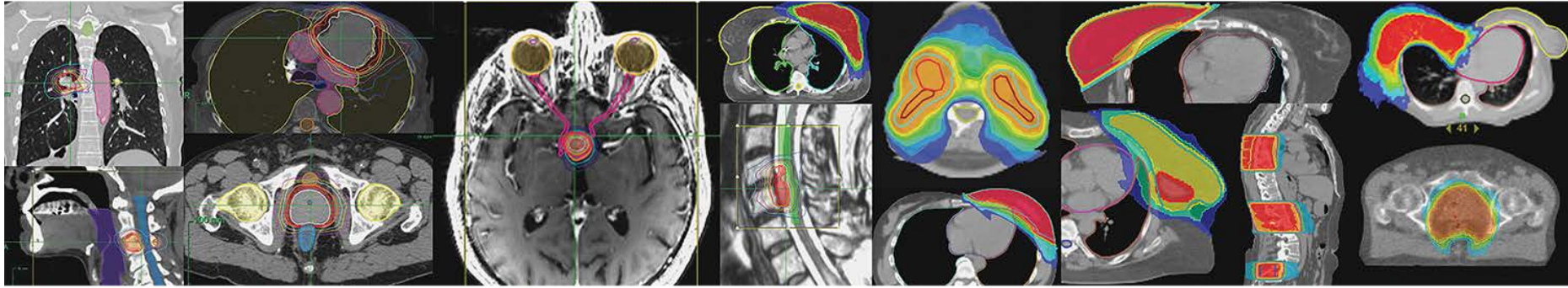


PRECISION MATTERS



**Citi 2016 Global Healthcare
Conference**

December 8, 2016

Kevin Waters

SVP, Chief Financial Officer

Forward Looking Statement

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 future results of operations and financial position, including the sufficiency of cash resources and expected cash flows to fund future operations, including the next 12 months; our backlog and expectations regarding age-outs, cancellations of contracts and foreign currency impacts, the effects of our process improvements on age-outs, backlog and revenue; expected uses of cash during fiscal 2017; the anticipated drivers of our future capital requirements; the success of the multi-leaf collimator, or InCise MLC for the CyberKnife Systems, its impact on our business; our expectations regarding the factors that will impact long-term success, sales, competitive positioning and long-term success for our CyberKnife and TomoTherapy Systems; our belief that TomoTherapy Systems offer clinicians and patients significant benefits over other radiation therapy systems in the market; the anticipated risks associated with our foreign operations and fluctuations in the U.S. dollar and foreign currencies as well as our ability to mitigate such risks; the sufficiency of our cash, cash flow equivalents and investments to meet our anticipated cash needs for working capital and capital expenditures and our business strategy, plans and objectives. 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. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from expectations, including those risks detailed in Part I, Item 1A of the Company's annual report on Form 10-K for fiscal year 2016, in Part II Item 1A of the Company's quarterly reports on Form 10-Q for the quarter ended September 30, 2016, and other filings we make with the Securities and Exchange Commission.

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 place undue reliance on any forward-looking statements.

This presentation also contains non-GAAP financial information. 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 Appendix.



Accuray At-A-Glance

- **Products:** CyberKnife® and TomoTherapy® Systems
- **Headquarters:** Sunnyvale, CA
- **International Headquarters:** Morges, Switzerland
- **Employees:** more than 900

FY 2016^(a)

- **Revenue:** \$398.8 million
- **Gross Orders:** \$283.9 million
- **Adjusted EBITDA^(b):** \$24.6 million
- **Product Revenue:** \$193.3 million
- **Service Revenue:** \$205.5 million

(a) June 30 fiscal year.

(b) Please see Appendix A for GAAP net income reconciliation.



Precise, innovative tumor treatments™



Accuray is poised for growth . . .

Growing global demand for radiation therapy

Customer focus and enhanced commercial execution

Improved product portfolio

Growth outside the US:
Europe, China, Japan

Fiscal discipline



Radiation Therapy Capacity Gaps

+60% growth in market capacity projected over next 20 years

THE LANCET **Oncology**

	2015	2035	GAP
Radiotherapy Departments	7,700	10,900	3,200
Linear Accelerators	13,100	21,800	8,700 (Gap) <u>+13,100 (Replacements)</u> 21,800 (Total)
Radiation Oncologists	23,200	45,500	22,300
Medical Physicists	10,000	39,300	29,300
Radiation Technologists	33,300	130,200	96,900

Coverage of radiotherapy services according to country as determined by global equipment databases, an activity-based operations model, cancer incidence, and evidence-based estimates of radiotherapy need.

Accuray Products and Positioning

Expanding clinical capabilities

IMRT and SBRT fastest growing advanced treatment applications
in radiation oncology space



- The Radixact™ System:
designed primarily for IMRT
- IMRT 5-year growth estimate
2015-2020: +40%*



- The CyberKnife® System:
designed primarily for SBRT
- SBRT 5-year growth estimate
2015-2020: +31%*

*Source: U.S. data. The Advisory Board Company – Service Line Forecast Compendium, 2016 Edition.

Accuray Products

Unique architecture drives superior precision and accuracy

Accuray Products

CyberKnife®



- Robotic architecture
- Continual imaging throughout treatment
- Automatically tracks and adjusts beam for tumor movement

- Sub-millimeter precision
- Spares healthy tissue

TomoTherapy®



- CT scanner-based; ring gantry platform
- Designed for low-dose imaging on a daily basis as a standard part of the workflow
- Fast MLC delivers thousands of “beamlets” with continuous 360° rotation of the ring gantry

- Dose contouring superiority
- Spares healthy tissue
- Radixact™ is designed for faster treatment; is upgradeable

Competitor

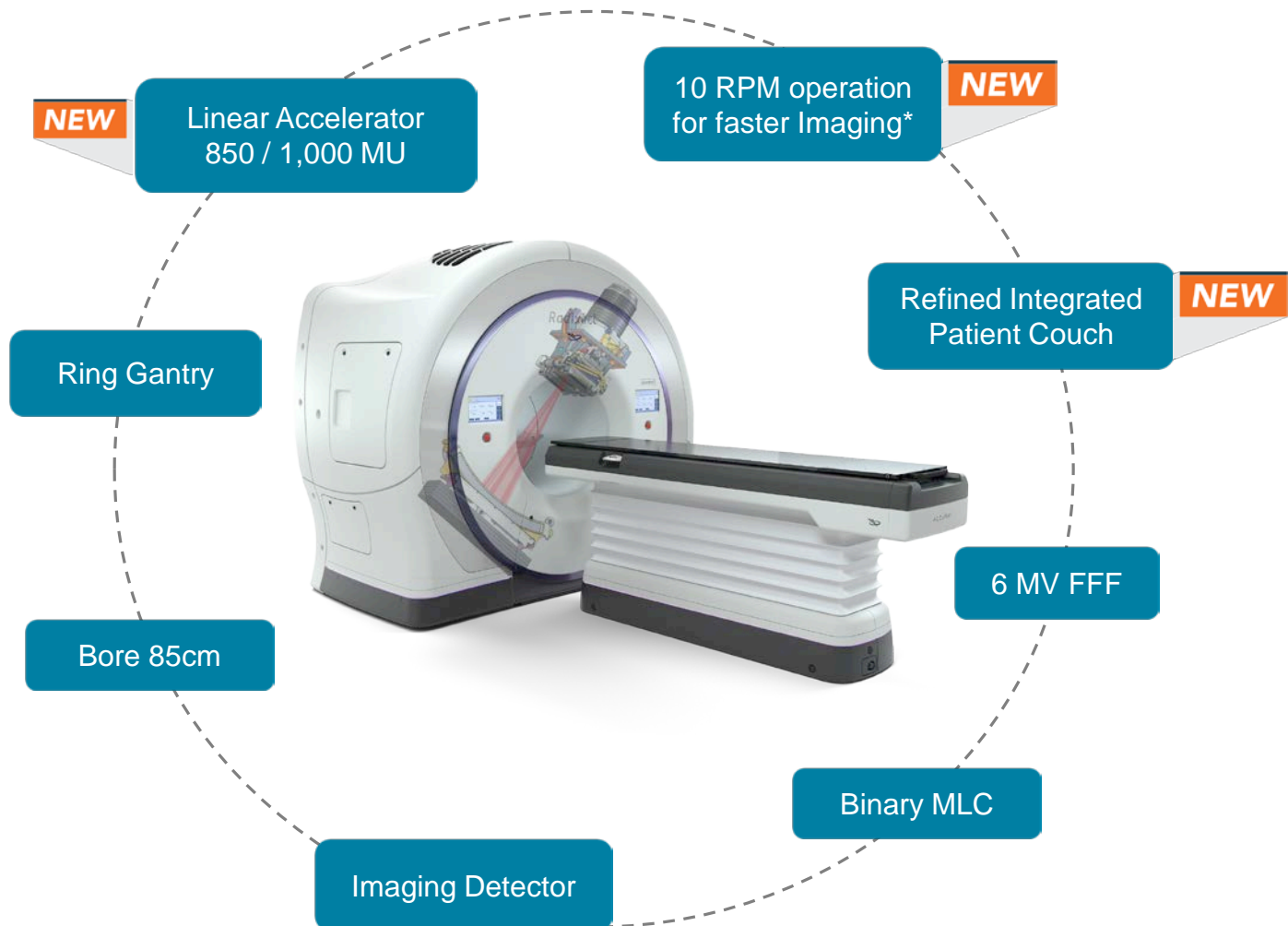
Conventional LINAC



- C-arm based; standard gantry platform
- C-arm architecture and limited beam delivery angles requires larger treatment margin area and risk of healthy tissue exposure

Radixact™ Treatment Delivery System

Launched September 2016



**Based on calculation and not on actual experience.*

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Precise, innovative tumor treatments™

Innovation and Partnerships

Highly differentiated new products and features

- Internal innovation on hardware and software
- Partnerships with other innovators to bring critical solutions to market, faster



Radixact™
ACCURAY®
ACCURAY
Precision™



Image courtesy of MedAustron



Partnering to Expand Your Future Choices
Not US FDA 510k Cleared

Onrad™ System

A new TomoTherapy® configuration for the value market segment

- Goal
 - Meet growing demand in China in a market segment new to Accuray
- Our Solution: fast, easy to use
 - Based upon TomoH™ platform
 - IG-IMRT and 3DCRT system using fixed beam angles
 - Treats extensive range of cases
 - Streamlined and productive workflows
 - Fast planning
 - Compact footprint and on-board beam shielding
 - Integrated QA tools



Onrad is a trademark of Accuray Incorporated in China, Japan and the EU.

Commercial Strategy Execution

Four near-term business initiatives to drive order and revenue growth

Capitalize on replacement opportunity through customer installed base satisfaction

Broaden CyberKnife® clinical versatility and treatment speed through InCise™ Multileaf Collimator (MLC)

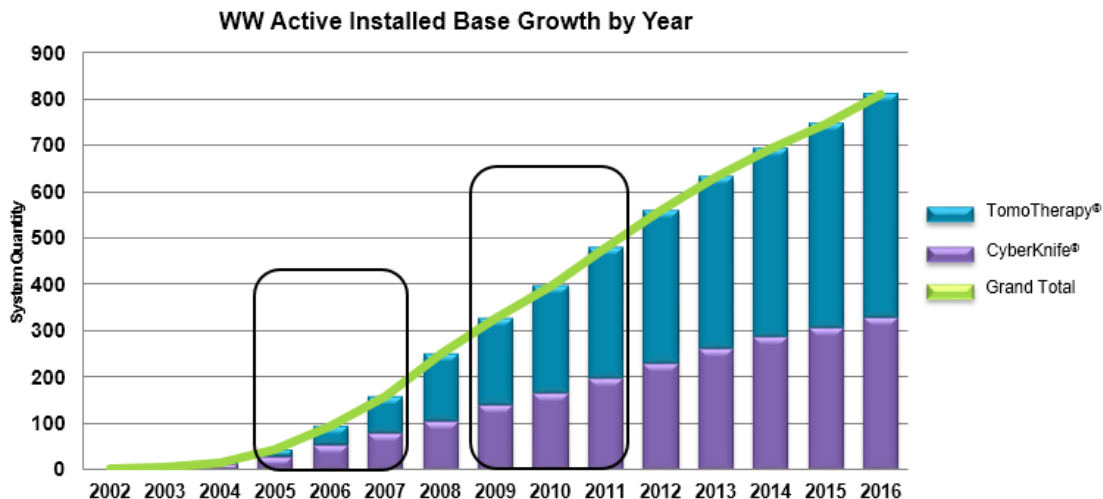
Focus on strategic accounts / key hospital networks:
e.g. NHS Supply Chain

Focus on China commercial opportunity



Capitalize on Global Replacement Opportunity

“Customers continually praise the high level of reliability afforded by Accuray systems.”*



- Installed base replacement opportunities
 - 75-80% win rate for replacement units
 - ~200 total systems will reach 10 year mark in the next 3 years



2016 ServiceTrak™
Radiation Oncology

- Accuray rated #1 in overall system performance
- Net Promoter Score increased 9 points YOY to 54 percent

*MD Buyline Market Intelligence Briefing™ - Q3 2016.

CyberKnife® InCise™ Multileaf Collimator (MLC) Impact



In the trailing 12-months ended Q1 2017
>**85%** of all CyberKnife M6™ orders
included an MLC

- Commercial status
 - Initiated commercial rollout Spring 2015
- Faster treatment speed
 - **30-40% reduction in average treatment times***
- Expanding clinical utilization
 - More than 500 patients treated
 - Treatment sites: cranial, prostate, spine, lung, and liver
 - Treatment techniques: SRS, SBRT and IMRT

* Based on Accuray internal estimates.

Strategic Account Focus

Strategic Account Activity

- Orders :
 - Key Opinion Leader (KOL) within the radiation oncology community
 - Government customer/VA
 - Trade-in trade-up by major university in Texas
 - “Next generation” product collaboration with KOL in Japan
 - UK NHS Supply Chain: largest order in Accuray history
 - Multi-system order for four TomoTherapy® Systems and one CyberKnife® M6™ System
 - Three system orders placed by hospitals affiliated with our GPO partners went to backlog

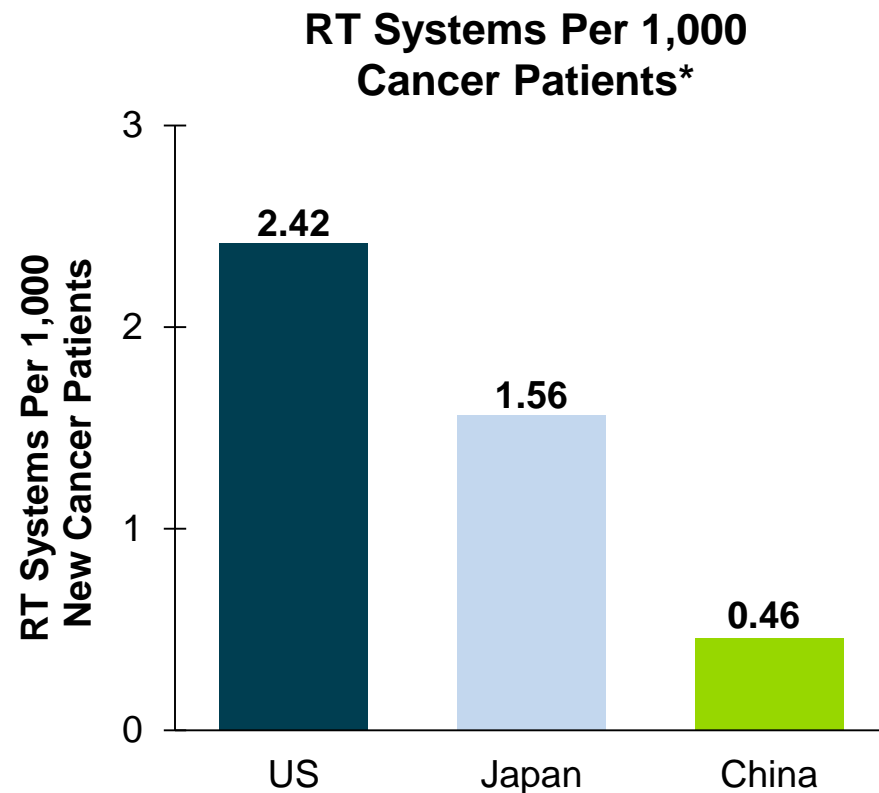
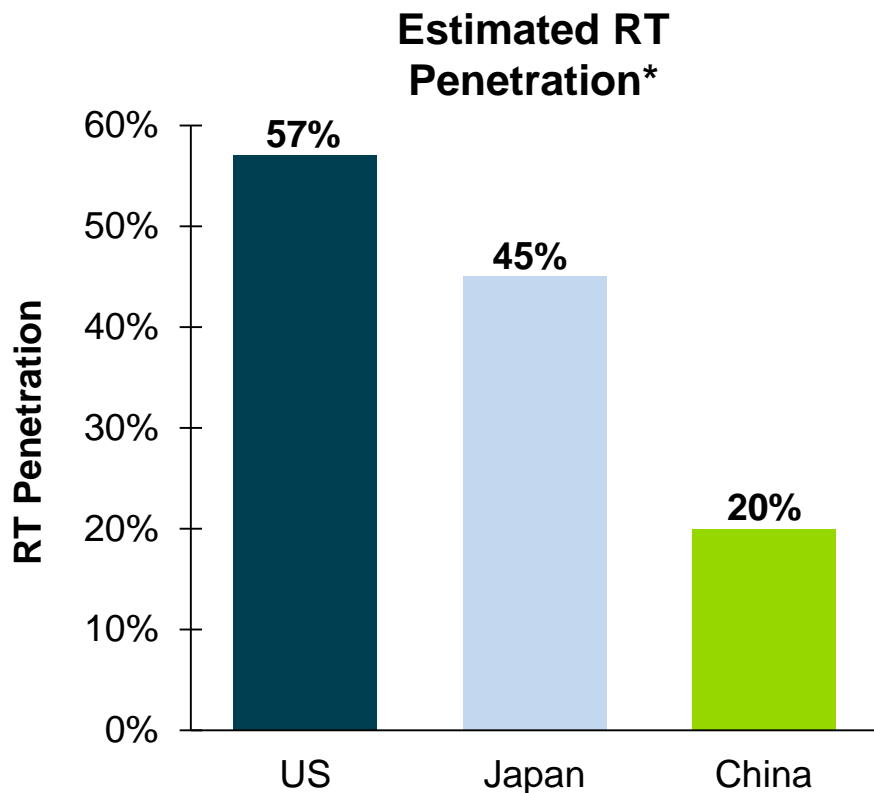
Strategic/GPO Accounts at a Glance

- Includes integrated delivery networks for both hospitals and free standing centers
- Can drive multi-system orders
- Accuray has partnerships with the following GPOs:



Radiotherapy Treatment Capacity - China

Major capacity gap when compared to developed markets



*Approx. 1,100 linear accelerators installed in China as of May 2016**
Estimated 5,000 systems needed to address patient need****

*Accuray internal estimates

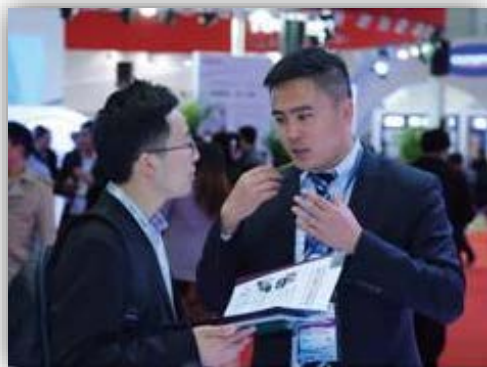
**<http://www-naweb.iaea.org/nahu/dirac/query3.asp> accessed 12/1/2016

***China Medical Equipment Association 2013

Accuray Commercial Progress - China

Through fiscal year 2016

Since 2013, Accuray products were placed in >85% of bunkers where Class A radiotherapy licenses were issued



Well-recognized and respected by Chinese KOL and NHFPC



Strong presence in PLA and large public sector facilities



34 out of 39 licenses awarded to hospitals for Accuray products

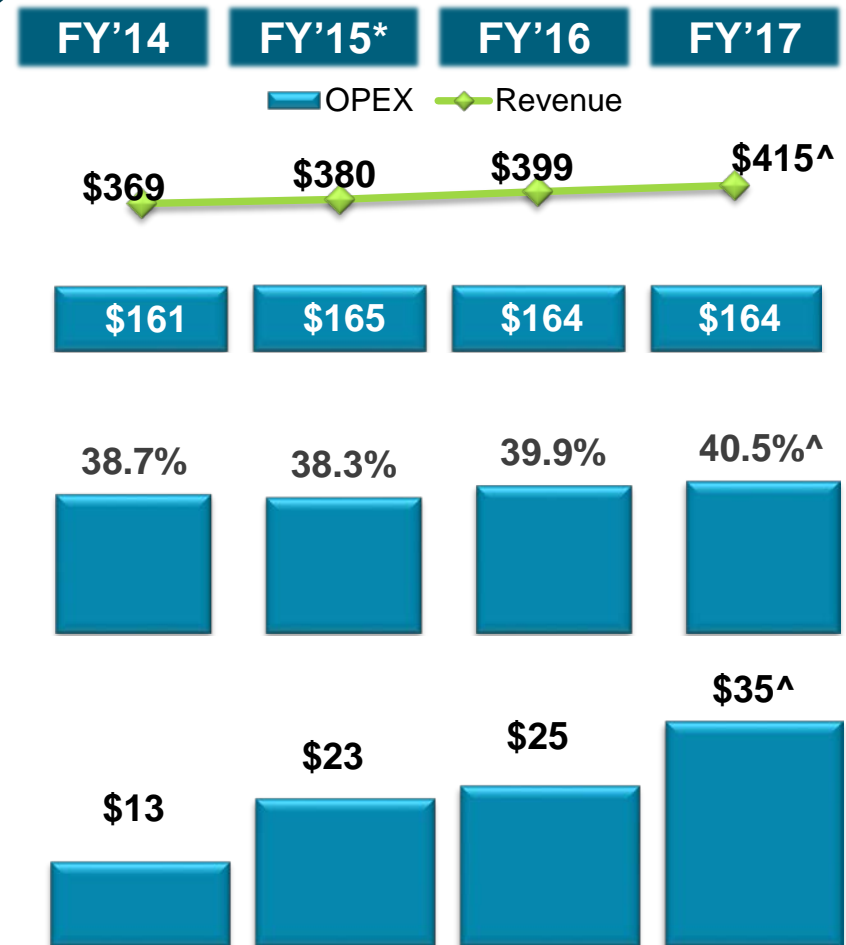
➡ *Private sector hospitals/cancer treatment facilities purchasing “non-type A” product offering will drive growth going forward*

Accuray is Driving Financial Performance

\$ millions
Revenue and OpEx

Gross Margin

aEBITDA**



* FY'15 data based on constant currency as compared to FY'14 due to significant currency impact on aEBITDA in FY'15.

** For reconciliation of aEBITDA please refer to appendices A-D for reconciliation from GAAP net income.

[^] FY'17 data represents the mid-point of guidance

Recent Results and Outlook

FY16 Financial Performance

- Gross Orders & Backlog:
 - +6% & +8% YoY
- Revenue: \$399 million
 - +5% YoY
- Operating Expenses: \$164 million
 - -1% YoY
- Adjusted EBITDA: \$25 million
 - +109% YoY
- Cash, cash equivalents and short-term investments of \$167M as of June 30, 2016
 - +23M YoY

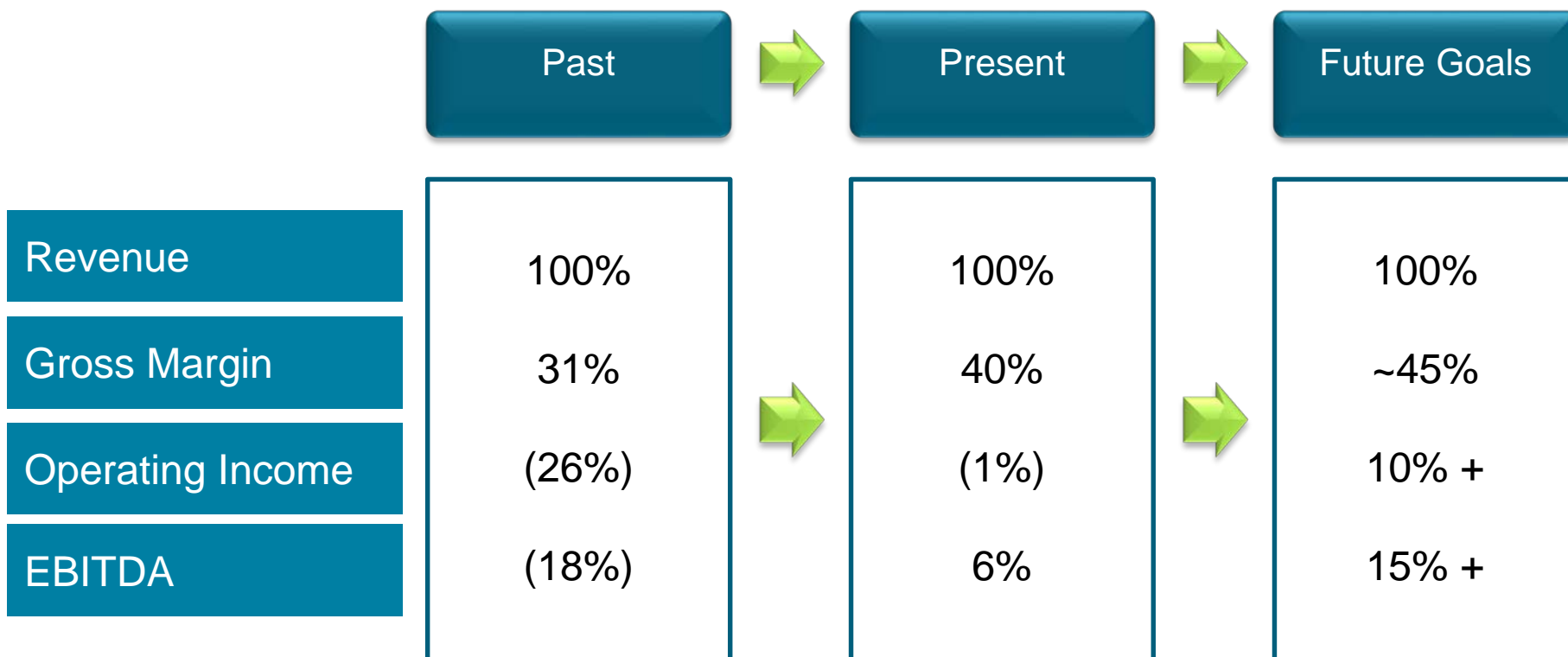
FY17 Guidance⁽¹⁾

- Gross Orders & Backlog:
 - +5% YoY
- Revenue: \$410 to \$420 million
 - +3% to +5% YoY
- Operating Expenses: \$164 million
 - Flat YoY
- Adjusted EBITDA: \$32 to \$38 million
 - +30% to +55% YoY

(1) FY2017 Guidance as presented on August 17, 2016.

A Path to Profitability

Where we **were**, where we **are** and where we are **heading**



Where we were (past): represents FY 2013 financials.

Where we are (present): represents FY 2016 financials.

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Thank You

Appendix A

Reconciliation of GAAP Net Loss to Adjusted EBITDA

	FY'14	FY'15 *	FY'16
Net Income	\$ (35,448)	\$ (40,209)	\$ (25,504)
Amortization of intangibles (a)	8,380	7,954	7,953
Depreciation (b)	12,184	11,539	10,343
Stock-based comp (c)	11,313	13,930	12,637
Interest expense, net (d)	13,759	16,158	16,822
Provision for income taxes	3,088	2,419	2,336
Adjusted EBITDA	13,276	11,791	24,587

(a) Consists of amortization of intangibles – developed technology.

(b) Consists of depreciation, primarily on property and equipment.

(c) Consists of stock-based compensation in accordance with ASC 718.

(d) consists primarily of interest income from available-for-sale securities and interest expense associated with our convertible notes and term loan.

* Please refer to appendices B and C for constant currency reconciliation for FY'15.



Appendix B

Reconciliation of GAAP Net Loss to Constant Currency Net Loss (FY'15)

	FY'15 GAAP	FX Impact	FY'15 CC
Revenue	\$ 379,801	\$ 14,264	\$ 394,065
Cost of Revenue	(234,399)	(2,737)	(237,136)
OpEx	(164,571)	(2,717)	(167,288)
Other Income / Expense	(18,621)	2,445	(16,176)
Income Tax Expense	(2,419)	0	(2,419)
Net Loss	(40,209)	11,255	(28,954)

As FY'15 was significantly impacted by foreign currency fluctuations, mainly in the EURO, Swiss Franc, GBP and Japanese Yen, it has adjusted against the rates from 2014 for comparison purposes of aEBITDA comparison. The adjusted net income above is included in Appendix C which ties back to the disclosure in the presentation materials.

Appendix C

Reconciliation of Constant Currency Net Loss to Adjusted EBITDA (FY'15)

	FY'15
Net Income	\$ (28,954)
Amortization of intangibles (a)	7,954
Depreciation (b)	11,539
Stock-based comp (c)	13,930
Interest expense, net (d)	16,158
Provision for income taxes	2,419
Adjusted EBITDA	23,046

- (a) Consists of amortization of intangibles – developed technology.
- (b) Consists of depreciation, primarily on property and equipment.
- (c) Consists of stock-based compensation in accordance with ASC 718.
- (d) consists primarily of interest income from available-for-sale securities and interest expense associated with our convertible notes and term loan.

Appendix D

Reconciliation of Projected GAAP Net Loss to Adjusted EBITDA (FY'17)

	FROM	TO
Net Income	\$ (17,800)	\$ (11,000)
Amortization of intangibles (a)	7,950	7,950
Depreciation (b)	10,100	10,100
Stock-based comp (c)	14,400	14,400
Interest expense, net (d)	13,750	13,950
Provision for income taxes	3,400	3,400
Adjusted EBITDA	32,000	38,000

- (a) Consists of amortization of intangibles – developed technology.
- (b) Consists of depreciation, primarily on property and equipment.
- (c) Consists of stock-based compensation in accordance with ASC 718.
- (d) consists primarily of interest income from available-for-sale securities and interest expense associated with our convertible notes and term loan.