

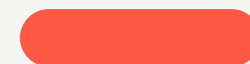


ACCURAY

# Accuray Innovation Driven Growth Strategy

2021 Stifel Healthcare Conference

November 16, 2021



# 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 2022 full-year adjusted EBITDA and revenue; our positioning and strategy for accelerating revenue, market share and margin expansion, including expectations regarding our financial model; expectations regarding the Golden Age of radiotherapy and the our leadership position therein; expectations regarding market growth rates and market trends, including with respect to China, hypofractionation and the worldwide radiotherapy market; expectations regarding new product enhancements or offerings and partnerships; our long term revenue growth catalysts; expectations related to our joint-venture in China and Type-B product, including our ability to drive additional growth and market share in China; our ability to expand addressable markets; and our ability to capitalize on operating leverage to drive greater profits and cash flows. 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: 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 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 quarterly report on Form 10-Q, filed with the Securities and Exchange Commission (the “SEC”) on November 4, 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 the Appendix.

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.

# Accuray at a Glance

Deliver More. Better. Faster.

ACCURAY

## Who we are

- Dedicated Radiation Therapy Company
- Treatment focus on oncology, neuro-radiosurgery and beyond
- 900+ Installed Base in more than 700 practices in 60 countries
- ~1,000 Global Employees
- NASDAQ: ARAY

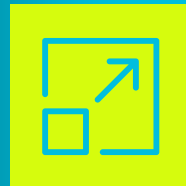
## Where we are located

- HQ: Sunnyvale, CA
- International HQ: Morges, Switzerland
- Operations & Training: Madison, WI
- Engineering: Cleveland, OH
- Regional Offices: Hong Kong, China, Japan
- JV Partner: CIRC, Tianjin China

## What we produce

- Radiotherapy Systems:  
Cyberknife®  
Radixact®  
TomoTherapy®
- Software Solutions:  
Precision® Treatment Planning  
iDMS® Data Management

**Our Vision:**  
To **EXPAND** the  
**CURATIVE**  
**POWER** of  
**RADIATION**  
**THERAPY** to  
improve as many  
lives as possible



- Broader treatment options
- Beyond oncology
- Global patient access



- Precision technology
- Superior patient experience
- Partnerships



- Enable advanced treatments
- Survival, long term outcomes
- Quality of life



- Focused resources
- Expertise
- Best in class

# Accuray Systems: Differentiated Solutions

ACCURAY

## **Radixact® System**

### **TomoTherapy® System**



**Ultimate  
IMRT/SBRT Workhorse**

**Personalized  
Universal  
Fast**

## **CyberKnife®**

### **S7™ System**



**Dedicated Whole Body  
SRS/SBRT System**

**4D Dynamic Delivery  
Precise  
Speed**

## **Accuray Precision®**

### **Treatment Planning System**



**Connectivity to the  
RT Department**

**Efficient  
Integrated  
Automated**

# Entering the Golden Age of Radiotherapy

Accuray is leading the transformation

ACCURAY

1 Versus 8  
Week  
Treatments\*

Imaging  
Innovation

Adaptive  
Therapy

Partnerships

Drug/Device  
Combination

# Long Term Revenue Growth Catalysts

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Technology Innovation Pipeline



China Growth and Unique Business Model



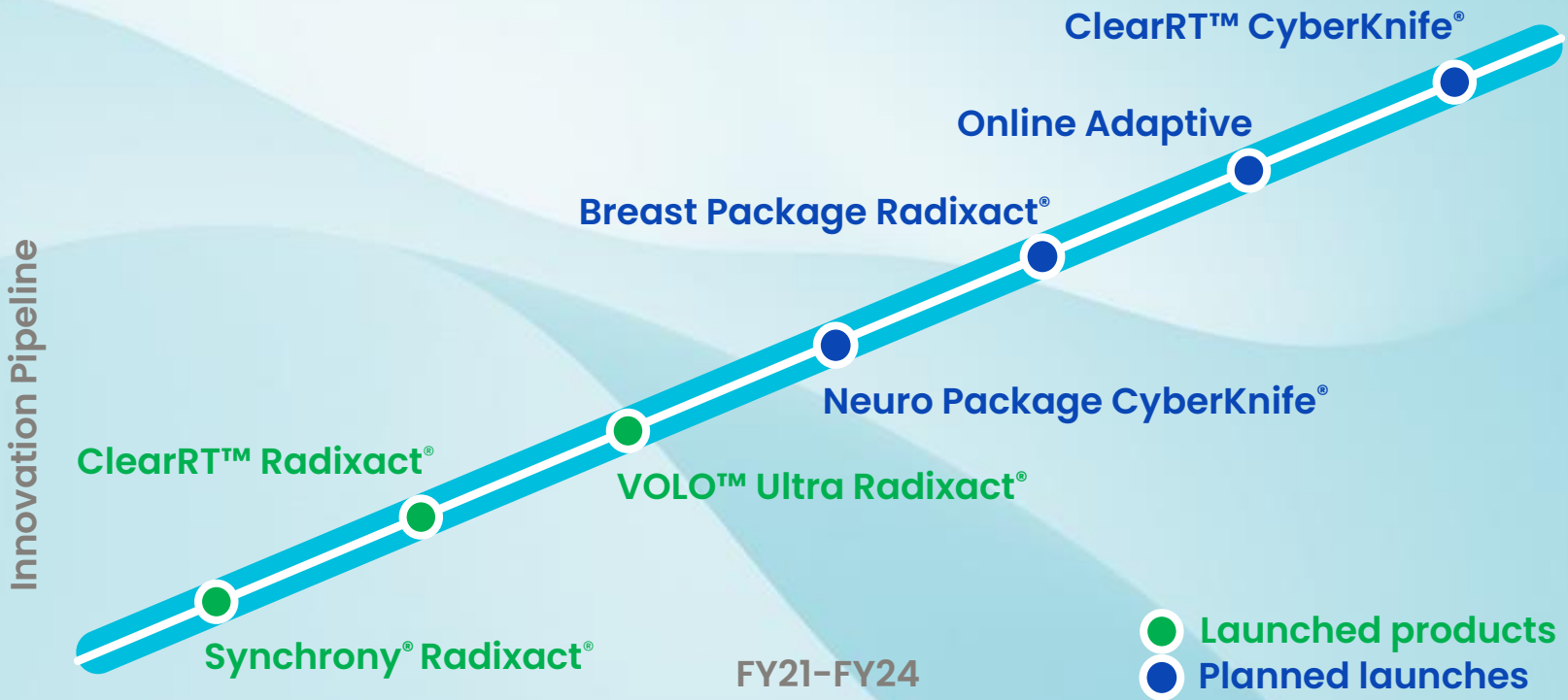
New Market Opportunities



Acceleration of Favorable Market Trends

# Technology Innovation Pipeline

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**15%**  
of Revenue  
Invested  
in **R&D**\*

**Versatility – Connectivity – Speed – Quality**



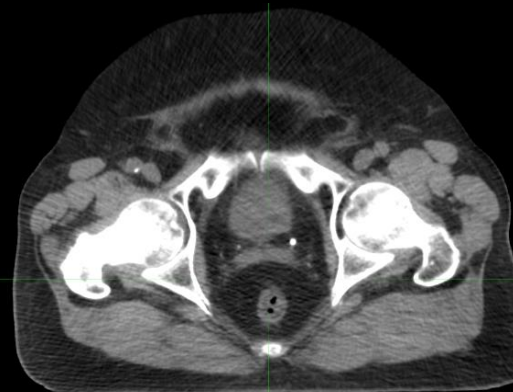
# ClearRT™ Helical kVCT Imaging

Radixact® System's unique helical platform advantages

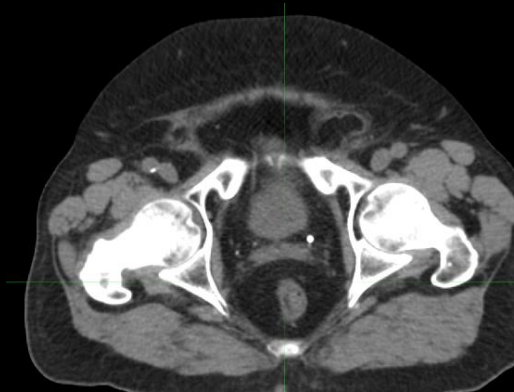


## ADVANTAGES

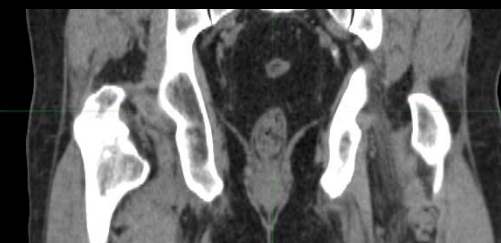
- Diagnostic-like quality
- Largest field of view (FOV) and scan length
- Fast 1-meter in 1-minute
- Upgradeable into the IB



ClearRT™



Planning



# Synchrony<sup>®</sup> 4D Motion Tracking with Dynamic Delivery

Efficient and precise, comfortable for the patient



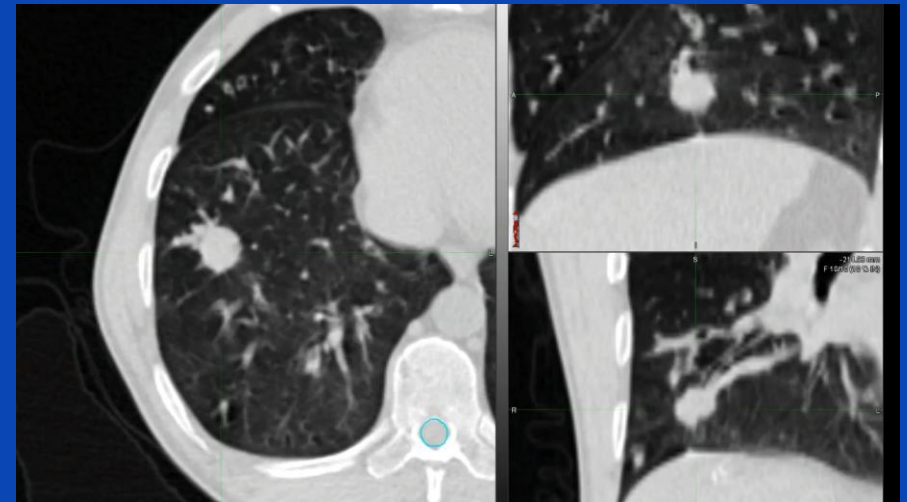
**Minimize Margins:** Potential for improved outcomes, and enables ultra-hypofractionation



**Deliver Efficiently:** Treat more patients, at lower cost, with overall higher profitability



**Breathe Naturally:** Greater patient comfort, and a better experience



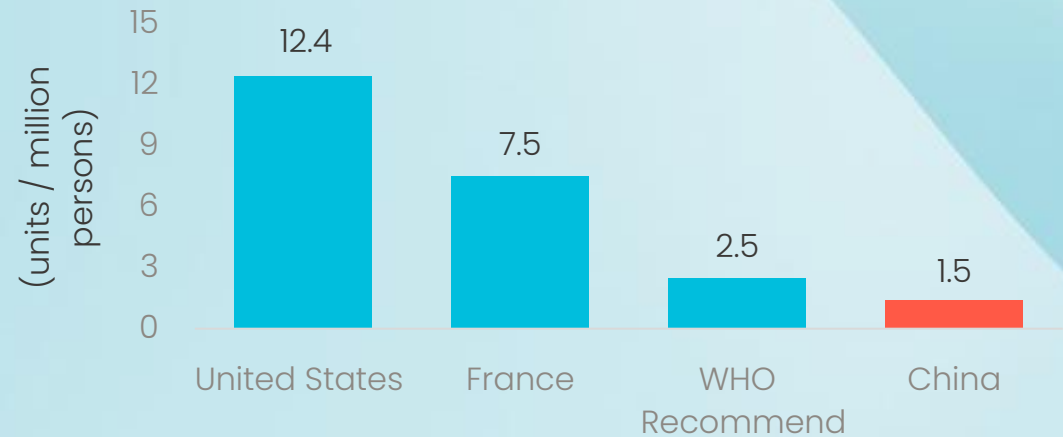
# China Growth Opportunity

## China Expected Cancer Incidence

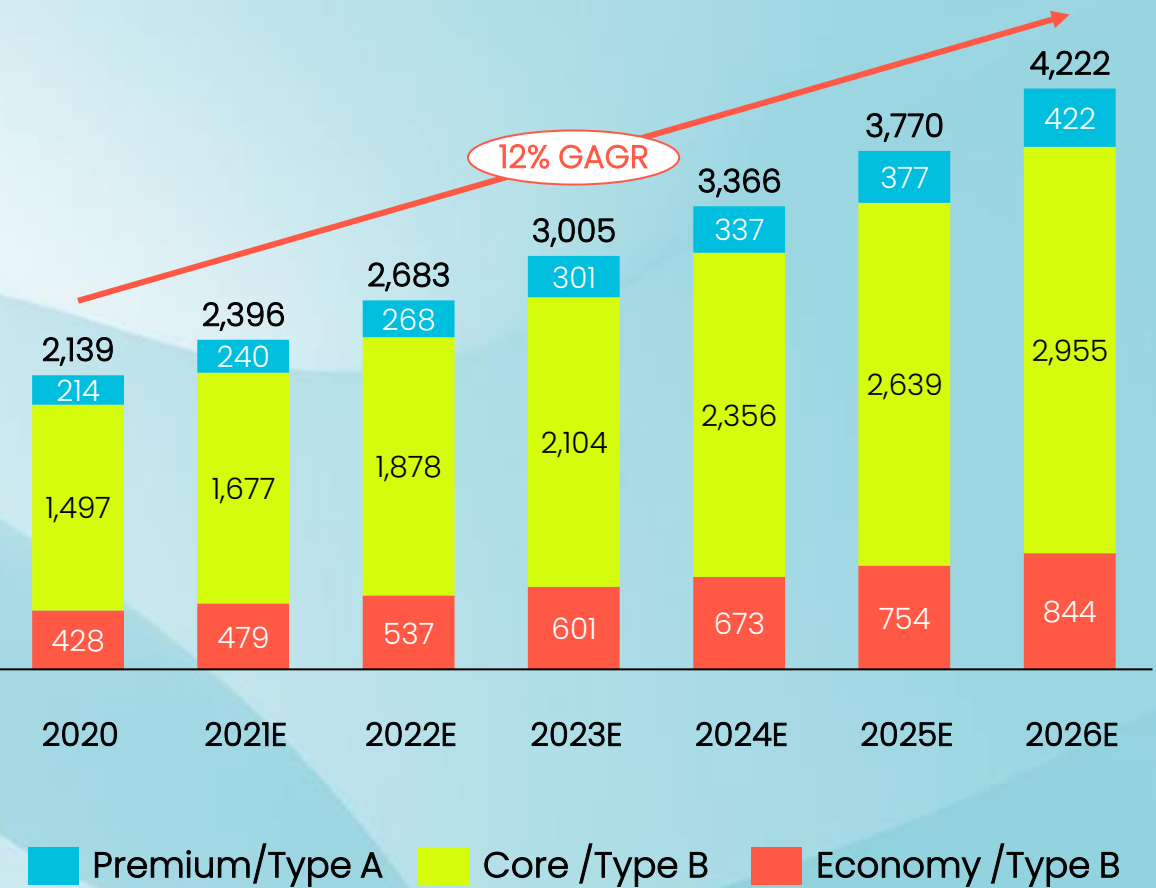
4.3M annual new diagnosed<sup>1</sup>

- 2.5x the amount in the U.S.
- 12,000 / day

China’s lack of access to Radiotherapy:  
Linac Installed Base by Country<sup>1</sup>



## China Market Opportunity by Segment (units)<sup>2,3</sup>



11  
1. Chen W, et al. Cancer statistics in China, 2015  
2. Set 2020 data as the base from CHINA ASSOCIATION OF MEDICAL EQUIPMENT: Radiotherapy Branch Report in 2020  
3. Forecast Linac market unit growth rate ~12% based on 2016-2020 International China Bidding Report

# China Growth and Unique Business Model

Accuray's differentiated strategy



# China Joint Venture Business Progress

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- 175 employees
- Commercial execution:
  - Type-A: 85% market share\*
  - Type-B: Commercial coverage with JV product on-track
- Customer support team active with 30 systems installed in calendar 2021
- World class training and education center





# New Market Opportunities

Target emerging markets where Radiotherapy is underpenetrated

ACCURAY

**Expand  
Patient  
Access**

Reduced  
Total Cost  
of Care

Workflow  
Efficiency

Upgradeability  
Path

**High  
Throughput  
and Quality**

Differentiated  
Feature Set

Base Clinical  
Capabilities  
with Options

Mid-CY2023  
Availability



**\$300M Annual  
Opportunity\***

# New Market Opportunities

## CyberKnife® S7™ Neuro Package with Brainlab®

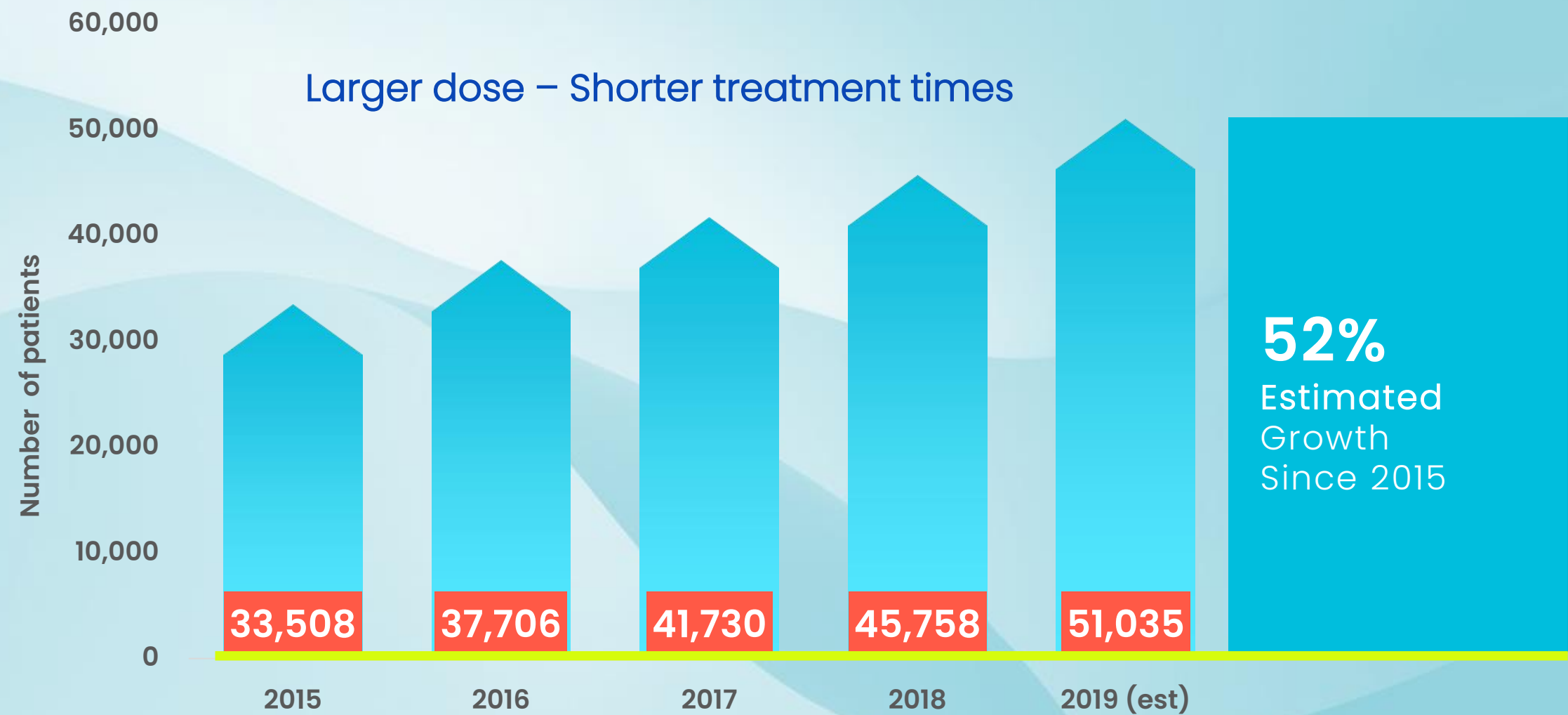


- Target neurosurgeons
- Treats brain AND spine
- Improved patient experience
- Synchrony® 4D dynamic delivery
- No cobalt source



**\$600M aged Gamma Knife® opportunity through 2026\***

# Growing Use of Ultra-Hypofractionated Treatments





# COVID-19: Accelerates Hypofractionation Adoption

## Guidelines

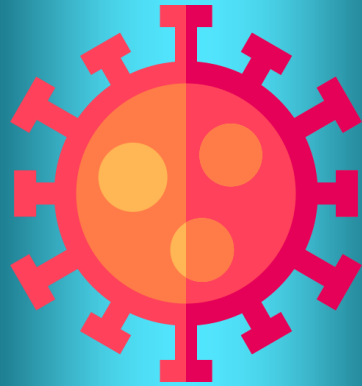
**ASTRO**

**ESTRO**

**DEGRO**

**NICE**

**Australia  
New Zealand**



Reduce the  
patient and  
provider risk  
of exposure

## Increasing Clinical Evidence

### Breast Cancer

- NASPB-B39, RAPID, Florence Trial

### Prostate Cancer

- CHHiP, HYPRO, PACE-B

### Lung Cancer

- ROSEL, RTOG 0915

### Brain Metastases

- JROSG 99-1, NCT00377156

### Bone Metastases

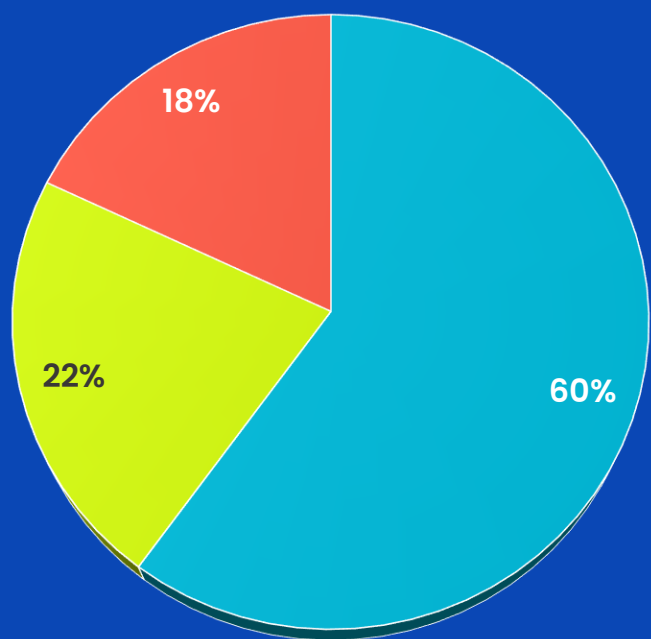
- RTOG 97-14, NCT00080912

### Oligometastases

- COMET, NCT01725165

# RO-APM Reimbursement Change: Implications for RT Platform

**40% U.S. Installed Base >9 years<sup>a</sup>**

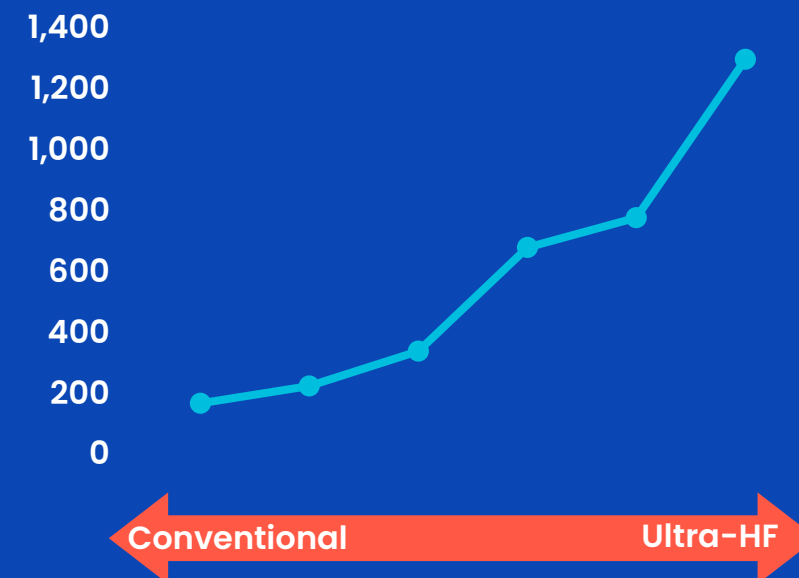


□ less than 8 years    ■ 9-11 years    ■ >12 years

- New reimbursement starts Jan 1, 2022.
- Move from fee for service to completed treatment
- Technology upgrade needed to deliver Ultra-HF treatments
- Compete more effectively in RO-APM
- Potential for improved outcomes and quality of life

**Treat More Patients with Ultra-Hypofractionation<sup>b</sup>**

Annual Patient Treatments Completed Per System



# Positioned to Win in Value Based Care

## ACCURAY

Deliver more.  
**Better. Faster.**

### CYBERKNIFE® S7™ System

- Global leader in SRS/SBRT
- Only robotic delivery system
- Fast <15 min treatments



### RADIXACT® System

- 360-degree helical arc therapy
- IMRT and SBRT
- Fast <15 min treatments



### ACCURAY-ONLY TECHNOLOGY

- Outstanding image quality
- Synchrony® 4D dynamic delivery
- VOLO™ and VOLO Ultra speed
- Patient experience



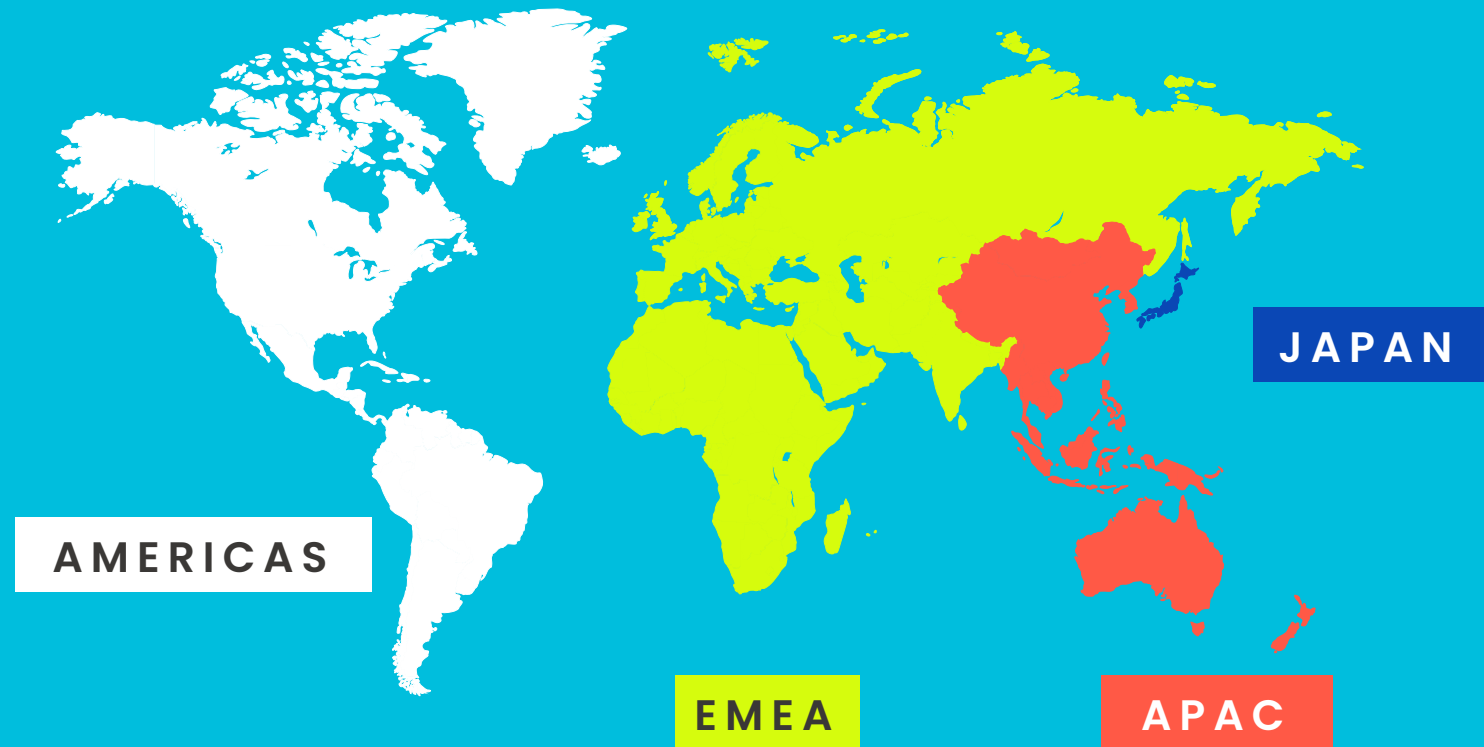
# Commercial Orders Momentum Entering FY22

Four (4) Accuray business regions and strategies

ACCURAY  
**+19% Q4 Y/Y<sup>a</sup>**  
**+39% Q1 Y/Y<sup>b</sup>**

WW MARKET  
**+4.2%<sup>c</sup>**

CAGR 2021-2026



# Q1'FY22 Financials

Strong financial performance, Revenue guidance raised October 21st

ACCURAY

## KEY FINANCIAL METRICS

	\$M	Q1	Y/Y
Gross orders		\$70M	39%
Revenues		\$107M	26%
Product		\$53M	69%
Service		\$55M	1%
Op. Expenses		\$37.1M	24%
R&D		\$14.4M	18%
SG&A		\$22.7M	28%
Adj. EBITDA <sup>1</sup>		\$5.4M	(41%)



## Highlights

- New product innovation driving order momentum
- Record fiscal first quarter revenue in Company history
- Raised FY22 full year revenue guidance to the range of \$420M to \$427M<sup>1</sup>
- Tightened FY22 full year adjusted EBITDA to the range of \$33M to \$35M<sup>1 2</sup>

# Strategy for Accelerating Revenue and Margin Expansion

Financial model designed to both invest as well as grow the top line

## Reposition for Success

### FY18 – FY19

- Enhanced leadership team
- Established China joint-venture
- Introduced Synchrony
- **Reset cost structure to increase operating leverage**

## Transform Culture and Begin Innovation Driven Growth

### FY20 – FY21

- Redefined vision and strategic roadmap
- High impact product introduction
- Executed China type-A revenue ramp
- **Continued to build out our global infrastructure and operations**
- Restructured debt to allow for growth

## Accelerate Growth

### FY22+ Plan

- Consistent cadence of new products and partnerships
- Drive additional growth and share in China market
- Expand addressable markets and drive further market share gain
- **Capitalize on operating leverage to drive greater profits and cash flows**

# In Summary

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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**

**Thank you**



# GAAP to Adjusted EBITDA Q1 FY2022 and Q1 FY2021

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

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\$K	Three Months Ended September 30		Three Months Ended September 30	
	2021		2020	
GAAP net income (loss)	\$	(1,028)	\$	402
Depreciation and amortization		1,419		1,650
Stock-based compensation		2,516		2,244
Interest expense, net		2,036		4,393
Provision for income taxes		431		344
Adjusted EBITDA	\$	5,374	\$	9,033

# GAAP to Adjusted EBITDA FY22 Guidance

ACCURAY

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

\$K		Twelve Months Ended Projection for June 30, 2022			
		Low			High
GAAP net income (loss)	\$	4,900		\$	6,600
Depreciation and amortization		6,500			6,500
Stock-based compensation		10,900			10,900
Interest expense, net		8,300			8,300
Provision for income taxes		2,400			2,700
Adjusted EBITDA	\$	33,000		\$	35,000