

# Investor Presentation

**May 2017**

# SAFE HARBOR STATEMENT



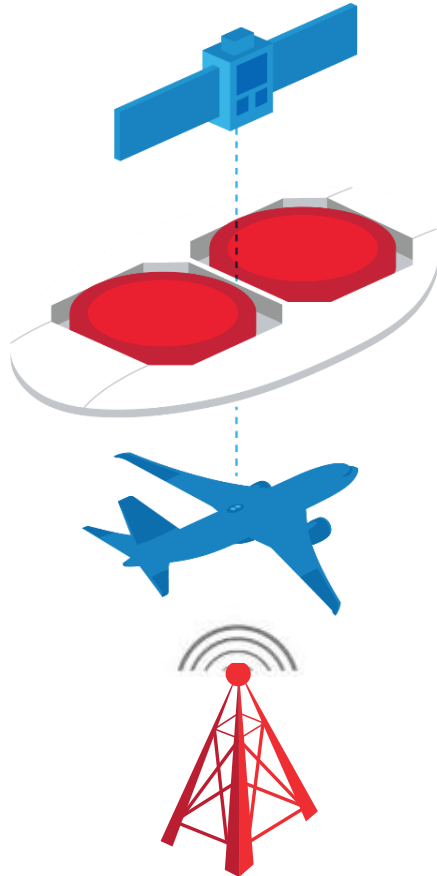
This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that are based on management’s beliefs and assumptions and on information currently available to management. Most forward-looking statements contain words that identify them as forward-looking, such as “anticipates,” “believes,” “continues,” “could,” “seeks,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “should,” “will,” “would” or similar expressions and the negatives of those terms that relate to future events. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Gogo’s actual results, performance or achievements to be materially different from any projected results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent the beliefs and assumptions of Gogo only as of the date of this presentation and Gogo undertakes no obligation to update or revise publicly any such forward-looking statements, whether as a result of new information, future events or otherwise. As such, Gogo’s future results may vary from any expectations or goals expressed in, or implied by, the forward-looking statements included in this presentation, possibly to a material degree.

Gogo cannot assure you that the assumptions made in preparing any of the forward-looking statements will prove accurate or that any long-term financial or operational goals and targets will be realized. In particular, the availability and performance of certain technology solutions yet to be implemented by the Company set forth in this presentation represent aspirational long-term goals based on current expectations. For a discussion of some of the important factors that could cause Gogo’s results to differ materially from those expressed in, or implied by, the forward-looking statements included in this presentation, investors should refer to the disclosure contained under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s filings with the SEC, including its Annual Report on Form 10-K and Quarterly Reports on form 10-Q.

## Note to Certain Operating and Financial Data

In addition to disclosing financial results that are determined in accordance with U.S. generally accepted accounting principles (“GAAP”), Gogo also discloses in this presentation certain non-GAAP financial information, including Adjusted EBITDA. This financial measure is not a recognized measure under GAAP, and when analyzing our performance, investors should use Adjusted EBITDA in addition to, and not as an alternative to, net loss attributable to common stock as a measure of operating results.

In addition, this presentation contains various customer metrics and operating data, including numbers of aircraft or units online, that are based on internal company data, as well as information relating to the commercial and business aviation market, and our position within those markets. While management believes such information and data are reliable, they have not been verified by an independent source and there are inherent challenges and limitations involved in compiling data across various geographies and from various sources.



**Gogo is the leading global provider of broadband connectivity products and services for aviation**

**>7,300**

Broadband aircraft online<sup>1</sup>

**52%**

Global market share in Commercial aviation<sup>2</sup>

**92%**

North America market share in Business aviation<sup>2</sup>

1) As of 3/31/2017

2) Based on management estimates, public filings and trade publications of broadband IFC installations as of 3/31/2017

# DELIVERING ENORMOUS VALUE



## **Passenger Connectivity & Entertainment**

- Internet
- Streaming Movies
- IPTV



## **Passenger Experience**

- Rebooking Travel
- Baggage Tracker
- Digitized Attendants
- Turbulence Avoidance



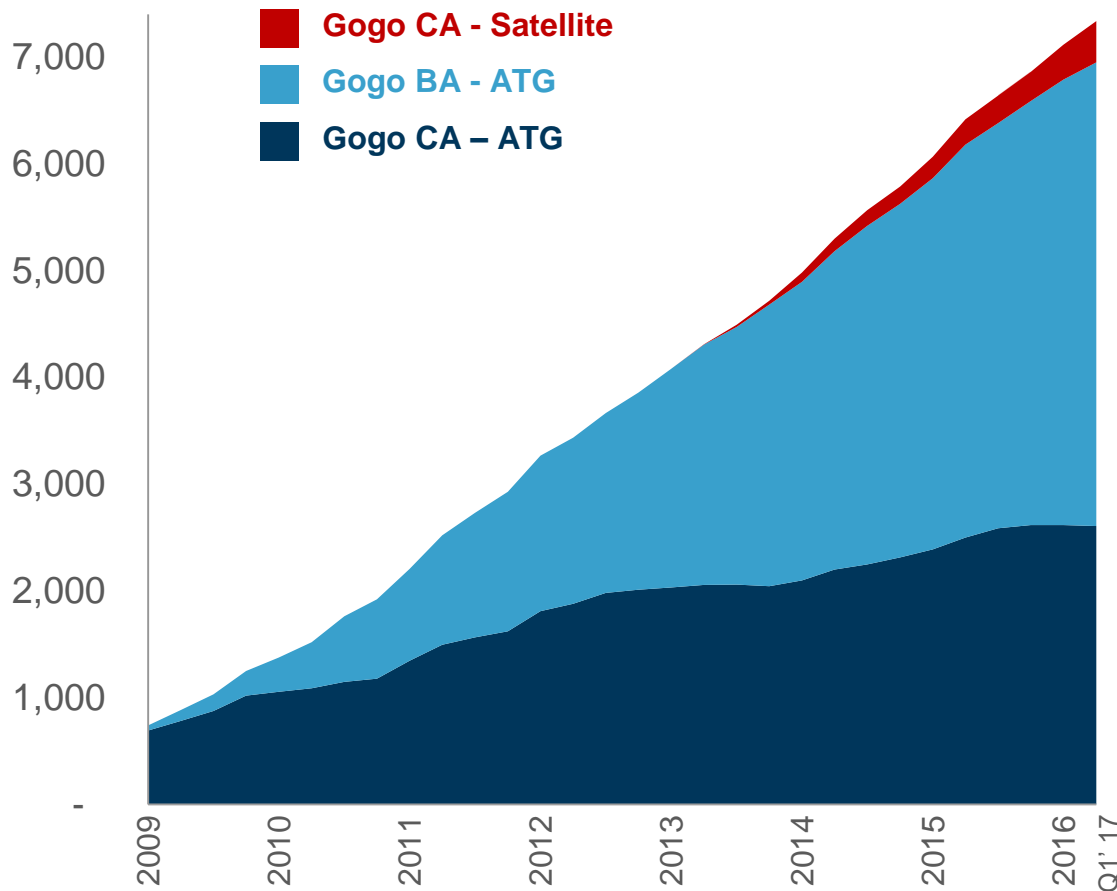
## **Aircraft Operational Efficiencies**

- Lower Fuel Costs
- Maintenance Savings
- Turbulence Avoidance

# MOST PLANES AND LARGE OPPORTUNITY



## Number of Aircraft Online



## Market Opportunity

### Commercial Aviation

**~10,000**

Uncommitted aircraft today

**~9,000**

Additional commercial aircraft expected by 2025

### Business Aviation

**~26,000**

Aircraft without broadband today

**~6,000**

Additional business aircraft expected by 2025

# UNIQUE LEADERSHIP CAPABILITIES



## INNOVATIVE NETWORK TECHNOLOGY

- Leading ATG & 2Ku platforms with speeds above 100 Mbps
- Superior capacity, coverage, availability and redundancy
- Open architecture to adapt to future innovations

## GLOBAL AIRCRAFT OPERATIONS

- Airline support on five continents
- 1,000+ annual installations<sup>(1)</sup>
- Large and growing STC portfolio
- OEM installation capabilities

## CUSTOMIZABLE PLATFORMS

- In-flight connectivity
- Wireless video entertainment
- Connected aircraft platforms

# STRATEGIC PRIORITIES



1

## Expand Technology Leadership

- **Extend** global 2Ku roadmap
- **Deploy** next gen ATG solution
- **Invest** in our industry leading IFC & IFE platforms

2

## Scale Globally

- **Install** 1,600 2Ku aircraft awards
- **Achieve** 2Ku OEM offerability starting in 2017
- **Increase** penetration of ATG and 2Ku in BA market

3

## Achieve Profitability

- **Scale** CA-ROW segment to profitability
- **Further** reduce 2Ku installation costs
- **Double** ARPA by 2021 from Q3 2016 level
- **Achieve** free cash flow in 2019<sup>(1)</sup>

# EXECUTION ON STRATEGIC PRIORITIES CONTINUES IN 2017



## Expand Technology Leadership

- 2Ku flight demo with HTS and next gen modem:
  - 93 Mbps peak speed
  - Average 50 Mbps to passenger
  - 54 devices connected
- Satellite capacity commitments with Intelsat & SES. Compatible with LEOs
- Next gen ATG development on track
  - 134 Mbps speed demonstrated in lab using next gen ATG antenna

## Scale Globally

### Aircraft Awards



### Operational Efficiency

- 2Ku installs under three days
- 2/3 of needed 2Ku STCs obtained
- Expanded OEM installation capability to include Airbus and Bombardier

## Achieve Profitability

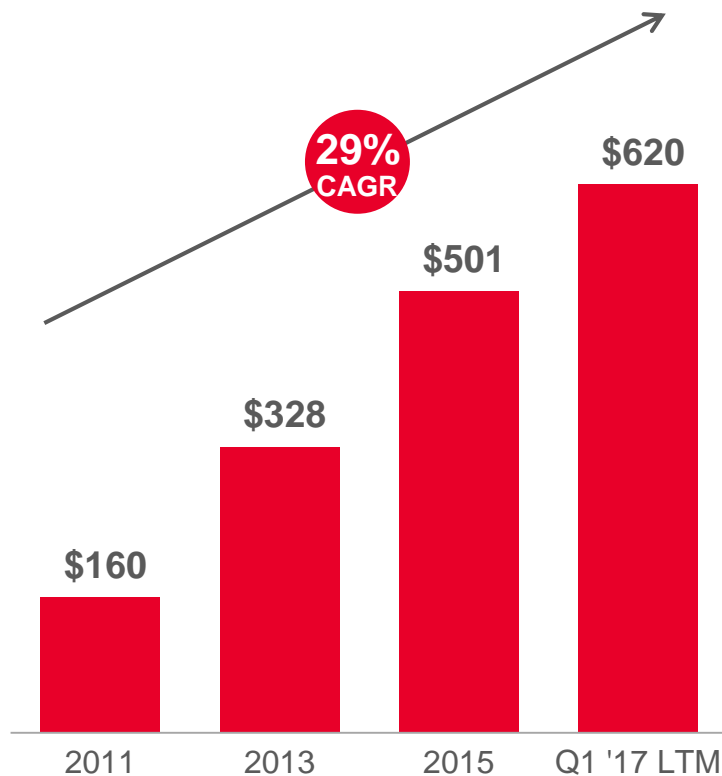
- Strong Q1 '17 financial performance:
  - Revenue of \$165M, up 17%
  - Reported adjusted EBITDA of \$11M and when excluding \$9.4M of next gen ATG development spend, up 39% to \$20M
- More bandwidth and multi-payer strategy show results:
  - CA-ROW ARPA up 45% to \$202K annualized
  - CA-NA ARPA up 6% to \$142K annualized
- On track to meet 2017 and long-term guidance



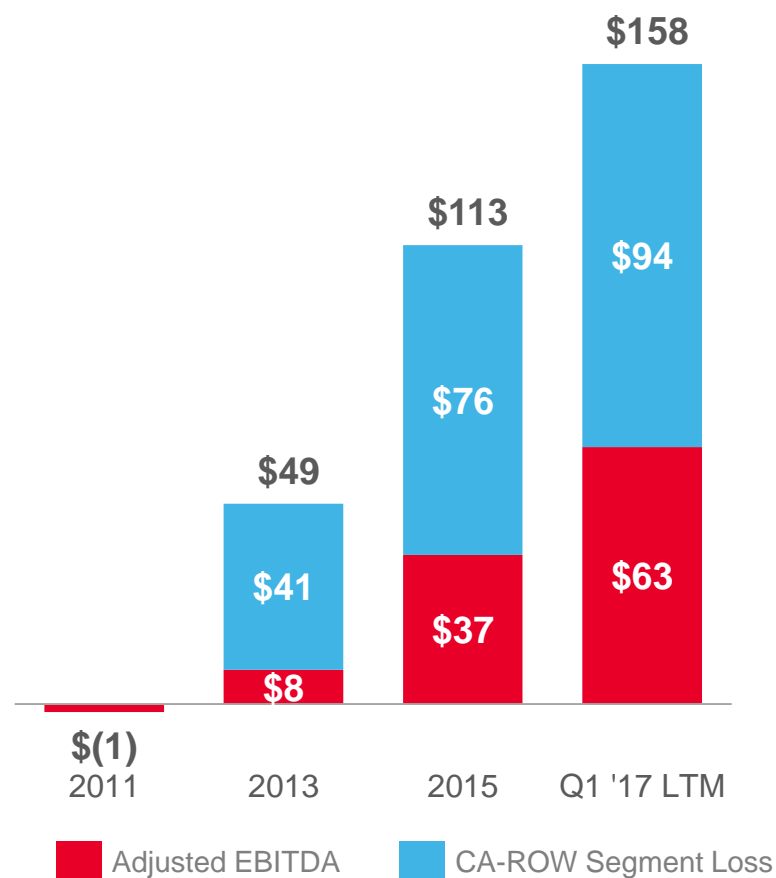
# STRONG REVENUE AND PROFITABILITY GROWTH



## Revenue (\$M)



## Adjusted EBITDA<sup>(1)</sup> (\$M)



# PROFITABILITY PATH FOR ALL SEGMENTS



## PROFITABILITY DRIVERS

More  
Bandwidth

More  
Aircraft

More  
Aircraft

### CA-NA

2,714 Aircraft Online  
65% Market Share

383

18%  
margin

69

Q1 '17 LTM  
Revenue (\$M)

Q1 '17 LTM  
Segment Profit (\$)

### CA-ROW

281 Aircraft Online  
13% Market Share  
~650 Aircraft Backlog

31

(94)

Q1 '17 LTM  
Revenue (\$M)

Q1 '17 LTM  
Segment Loss (\$M)

### BA

4,341 ATG Aircraft Online  
92% Market Share

206

43%  
margin

89

Q1 '17 LTM  
Revenue (\$M)

Q1 '17 LTM  
Segment Profit (\$M)

Note: Aircraft online and aircraft backlog, which refers to aircraft awarded, but not yet installed, are as of 3/31/2017

Note: Note market share is based on installed aircraft from public sources, trade publications, management estimates and other public sources as of 3/31/2017

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# LEADING TECHNOLOGY PLATFORMS FOR ALL AIRCRAFT



## Global – Satellite



- 15 Mbps to the Passenger
- 98% of Global Flight Hours
- 98% Service Availability
- Network Redundancy
- Live TV

## Addressable Aircraft

**~18,000<sup>(2)</sup>**

## North America – Air-To-Ground



- North American Coverage
- Overnight Installs
- High Speed & Low Latency
- Light Weight
- Availability expected in 2018

**~22,000<sup>(3)</sup>**

<sup>1</sup> Next Gen ATG expected to be available in 2018 and expected to deliver 100 Mbps

<sup>2</sup> Global commercial aircraft estimate from Boeing Market Outlook 2016-2035, excluding regional jets

<sup>3</sup> Includes North American business jets and turboprops estimate from JetNet iQ Report Q4 2015 and commercial regional jets from Boeing Market Outlook 2016-2035 and management estimates

# 2Ku MOMENTUM IS STRONG



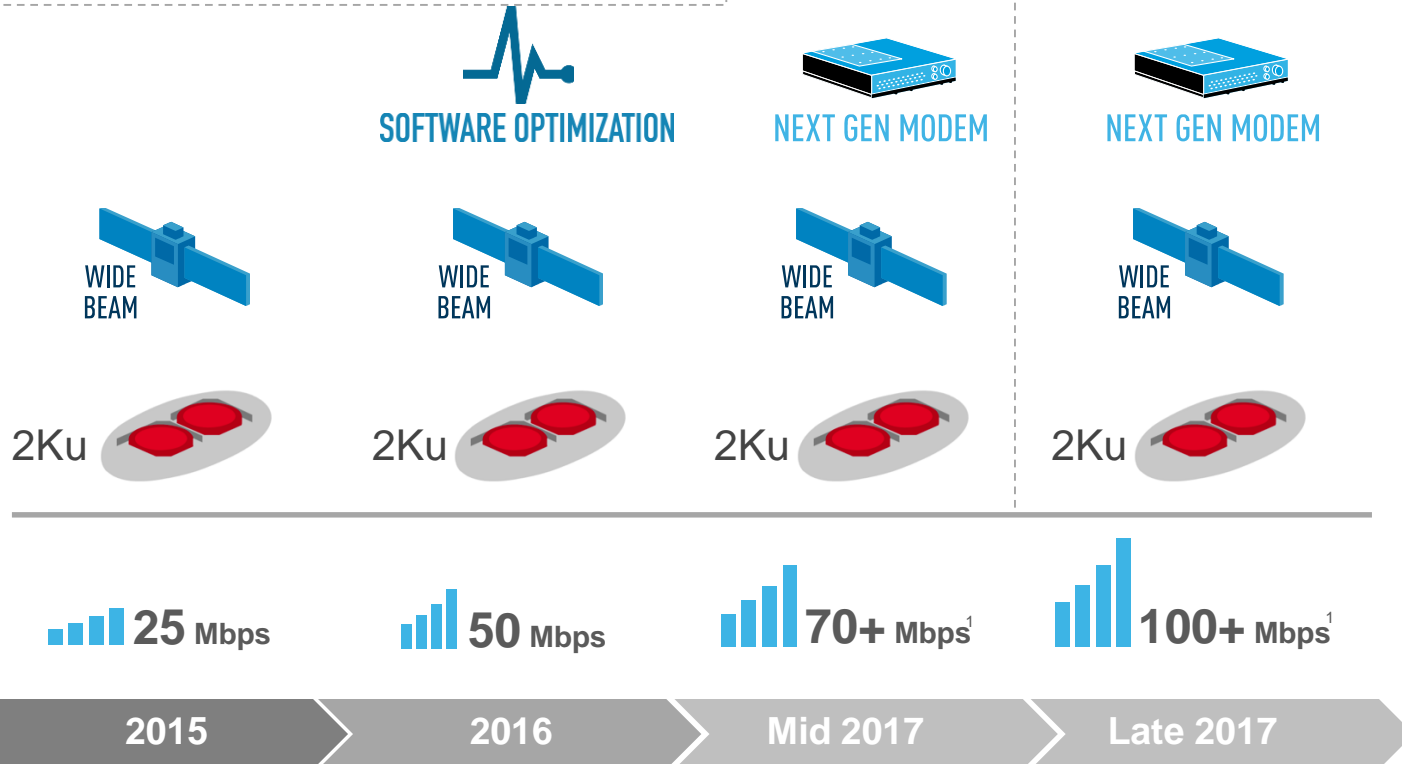
# 2Ku BRINGS 100+ Mbps GLOBALLY IN 2017



2Ku investor demo flight on May 9<sup>th</sup> showed:

- peak speeds of 93 Mbps to passenger,
- average speeds of 50 Mbps to passenger,
- with 54 connected devices on-board.

2Ku demo flight leveraged next gen modem technology and HTS satellite.



<sup>1</sup> Expected results based on management estimates

# NEXT GEN ATG BRINGS 100+ Mbps TO NORTH AMERICA IN 2018



## ATG

## ATG-4

## Next Gen ATG

134 Mbps speed achieved on new antenna in development lab in May 2017



Hardware



Tower Upgrades



Existing + unlicensed spectrum



Hardware



3 Mbps

2008

10 Mbps

2012

100+<sup>1</sup> Mbps

2018

- **Uniquely integrates** licensed and unlicensed spectrum
- **Leverages** existing ground and airborne infrastructure
- **Overnight** installation
- **Targeted** for smaller aircraft

<sup>1</sup> Expected results and availability based on management estimates

# PORTFOLIO OF BUSINESS AVIATION SOLUTIONS



## Large Jets

~3,000 Aircraft\*



## Medium Jets

~4,000 Aircraft\*



## Light Jets

~5,000 Aircraft\*

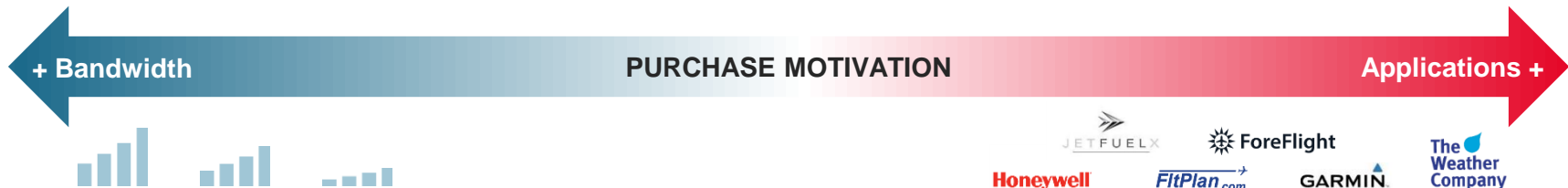


## Turboprops

~8,500 Aircraft\*



REGIONAL:	ATG/4G/ Next Gen ATG	ATG/4G/ Next Gen ATG	ATG/4G	ATG/4G/ Next Gen ATG
GLOBAL:	JX/SBB	SBB	SBB	SBB



\* Source: JetNet iQ Report Q4 2015 and Gogo estimates as of June 2016  
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- ▲ **Leading Position, Experience & Scale**
- ▲ **Large Growth Opportunity**
- ▲ **Technology Leadership**
- ▲ **Clear Path to Free Cash Flow**





# Appendix

# PATH TO PROFITABILITY



## MORE AIRCRAFT

- Significant backlog
- Growing market
- Leading market share

## DECLINING INVESTMENT PER AIRCRAFT

- Decreasing installation time
- Lower airborne equipment costs
- Higher airborne equipment proceeds
- Leverage STC portfolio

## ARPA GROWTH

- Increase network capacity
- Expand payers and services
- Increase passenger adoption
- Enable connected aircraft services

## MARGIN IMPROVEMENT

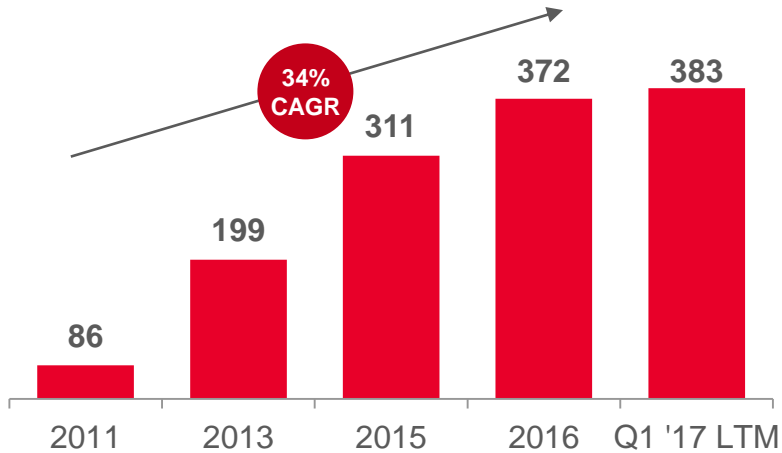
- Drive bandwidth costs down
- Leverage investments in global network & operations

Growing Shareholder Value

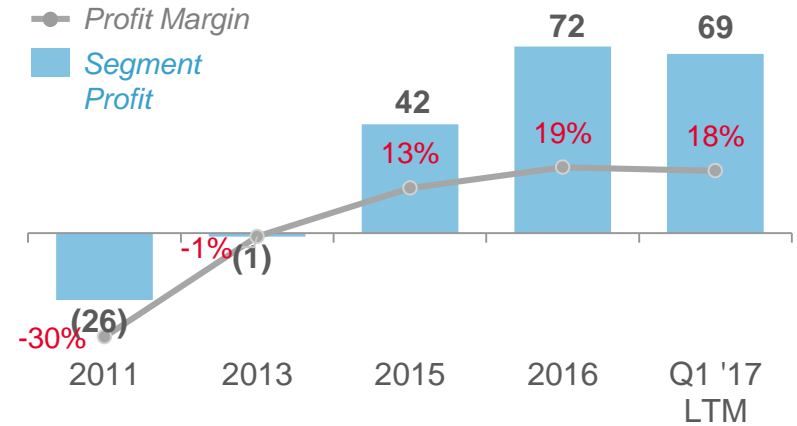
# CA-NA: STRONG REVENUE AND SEGMENT PROFIT GROWTH



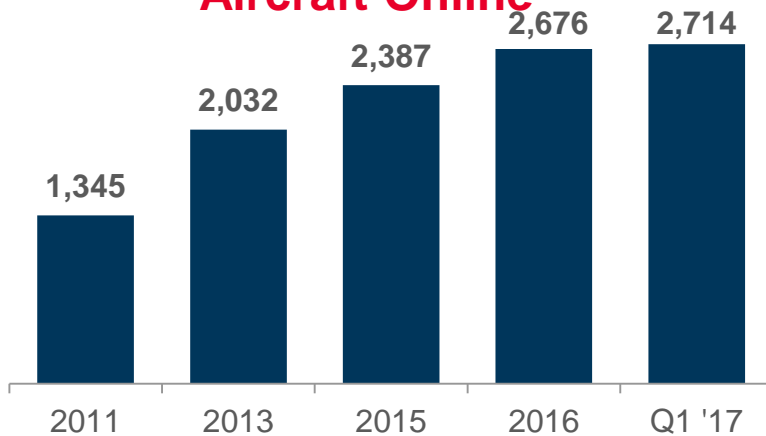
## Revenue (\$M)



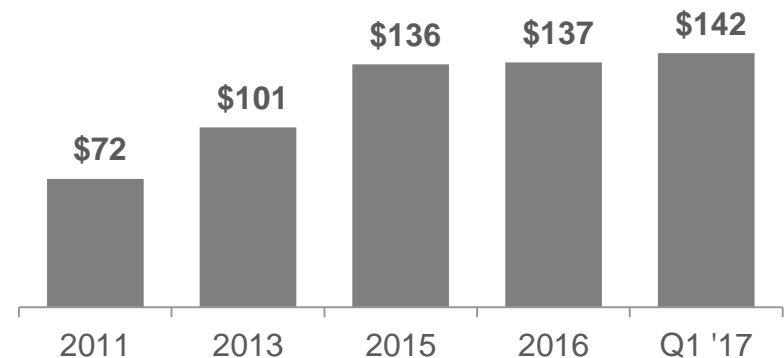
## Segment Profit (\$M)



## Aircraft Online



## Annualized ARPA<sup>(1)</sup> (\$k)



Note: Minor differences may exist due to rounding.

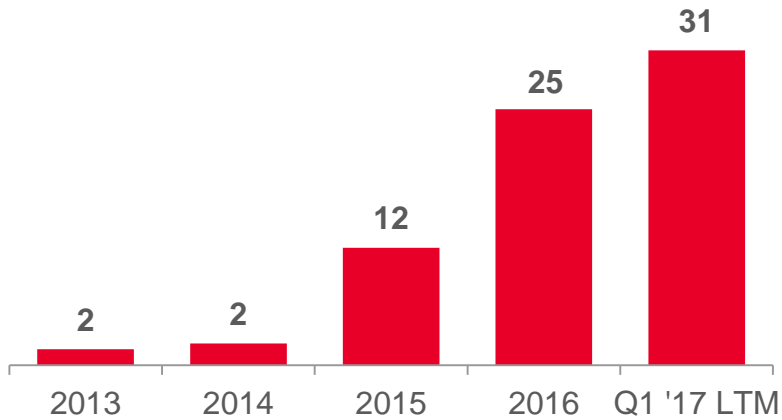
(1) For 2011 and 2013 ARPA is based on aircraft online and for 2015 and 2016 ARPA is based on aircraft online equivalent.

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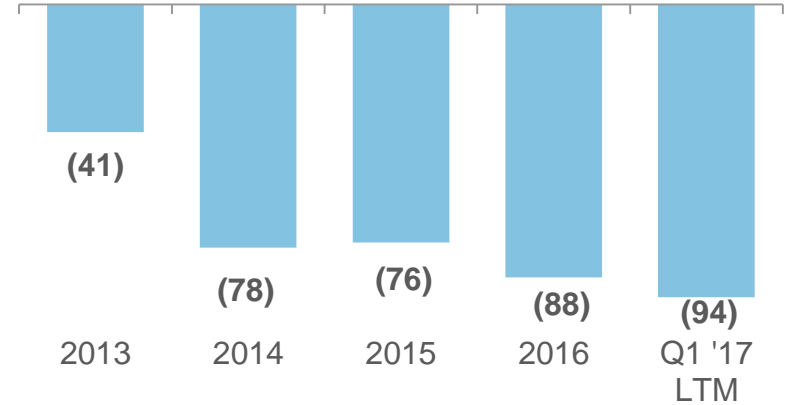
# CA-ROW: STRONG REVENUE AND SEGMENT PROFIT GROWTH



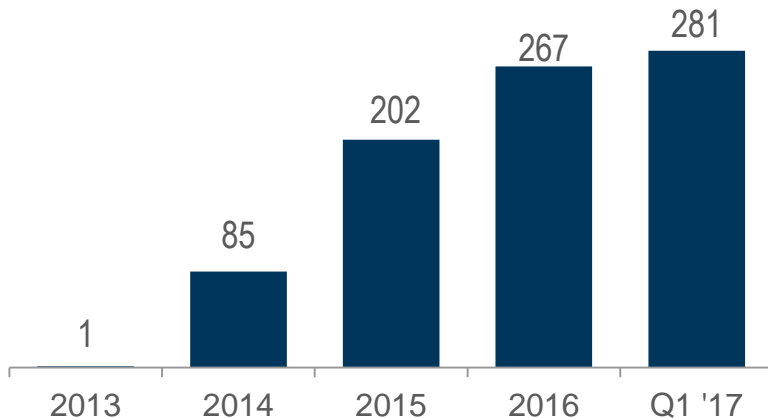
## Revenue (\$M)



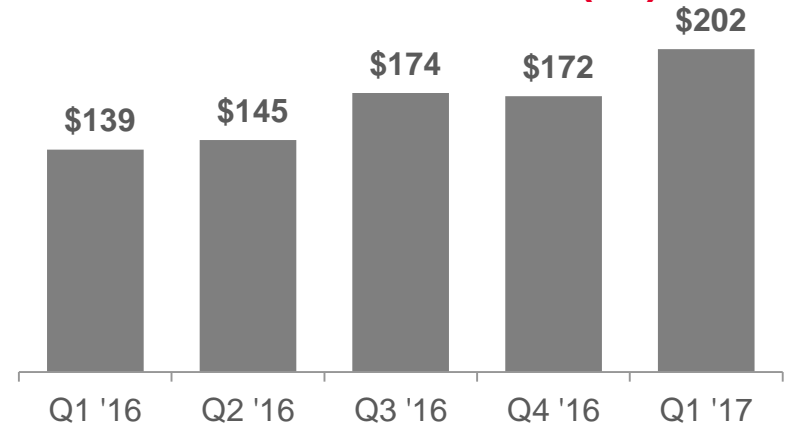
## Segment Profit (\$M)



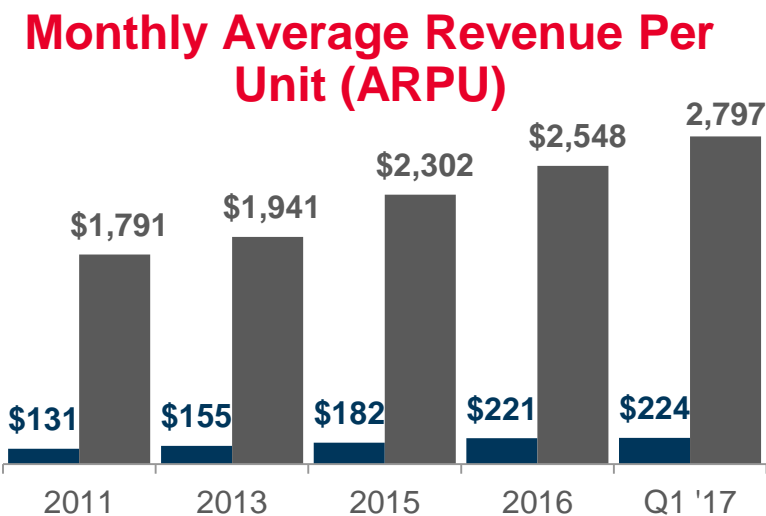
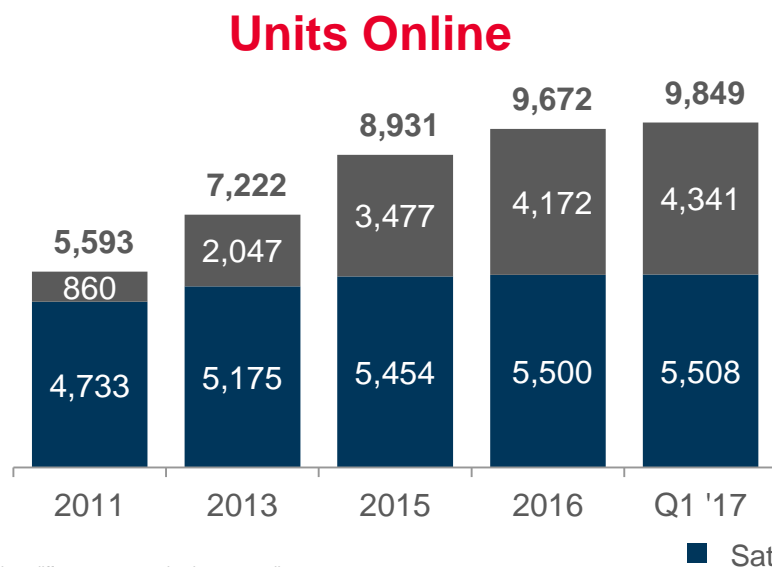
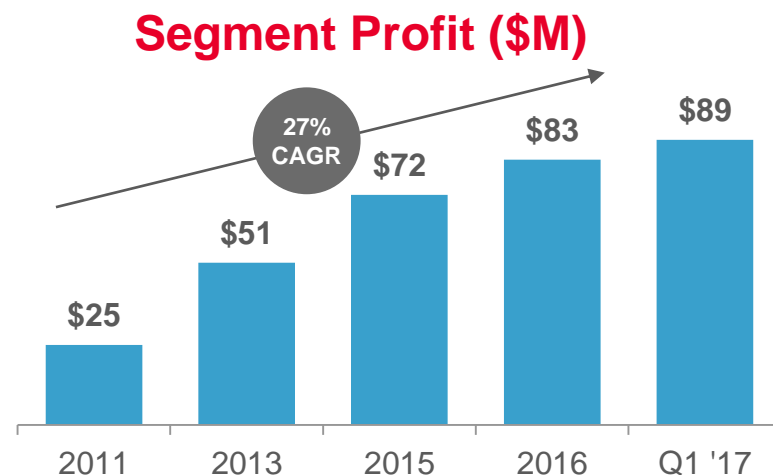
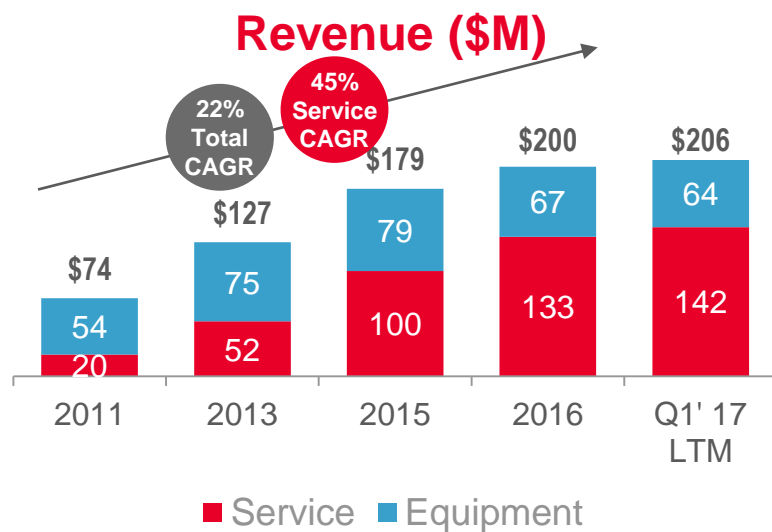
## Aircraft Online



## Annualized ARPA (\$k)



# BA: HIGH MARGIN SERVICE REVENUE DRIVES PROFITABILITY



# 2Ku: PROPRIETARY SOLUTION THAT STANDS APART FROM THE COMPETITION



## 2Ku Differentiators



Open Architecture



Reliability



Speed



Capacity





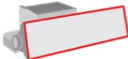

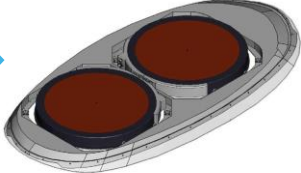


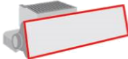
Cost



Coverage



Aero Performance

		ANTENNA	
		2Ku	Gimbaled
SATELLITE	Ka (2 to 5) <sup>(1)</sup>		  
	Ku (~180 in orbit today) <sup>(2)</sup>	 	  

**Record market acceptance, 1,600 awarded aircraft,  
brings reliable connectivity to aircraft around the world**

(1) Based on management estimates and include satellites operated by Inmarsat, Viasat, Eutelsat, and Yahsat as of 3/31/2017. We estimate that there are approximately 10 Ka satellites in the world, but due to lack of interoperability between Ka satellite providers, only 2 to 5 can currently be used for a given Ka antenna.

(2) Based on management estimates and include satellites operated by SES, Intelsat, Eutelsat, Echostar, and Telesat as of 3/31/2017

# GOGO INSTALLED AND AWARDED AIRCRAFT

AS OF 3/31/2017



Aircraft Online	CA-NA	CA-ROW	Total
ATG Aircraft Online	836	-	836
ATG-4 Aircraft Online	1,772	-	1,772
Ku Aircraft Online	-	260	260
2Ku Aircraft Online	106	21	127
Total Aircraft Online	2,714	281	2,995

2Ku Aircraft Installed & Awarded But Not Yet Installed <sup>1</sup>	CA-NA	CA-ROW	Total
2Ku Aircraft Installed	126	30	156
2Ku Awarded but not yet installed, aircraft conversions	740	-	740
2Ku Awarded but not yet installed, new aircraft	60	650	710
Total 2Ku Aircraft Installed and Awarded But Not Yet Installed	926	680	1,600+

(1) All figures are as of 3/31/2017. Awarded but not yet installed figures are approximate and differences may exist due to rounding.

Note: On May 27, 2016, we entered into a letter agreement with American Airlines whereby American exercised its option to terminate its agreement with Gogo on approximately 550 Gogo-installed mainline aircraft and we currently expect such aircraft to be deinstalled or retired over the next several years.

# ADJUSTED EBITDA RECONCILIATION (\$MM)



	2011	2012	2013	2014	2015	2016	2016 Q2	2016 Q3	2016 Q4	2017 Q1
Net Income	(18)	(96)	(146)	(85)	(108)	(125)	(40)	(33)	(27)	(41)
Interest Income	(0)	(0)	(0)	(0)	(0)	(2)	(0)	(1)	(1)	(1)
Interest Expense	1	9	29	33	59	84	18	25	25	27
Income Tax Provision	1	1	1	1	1	1				
Depreciation & Amortization	33	37	56	64	87	106	25	27	30	30
EBITDA	16	(49)	(60)	14	39	64	2	18	27	16
Fair Value Derivative Adjustments	(59)	(10)	36	–	–	–	–	–	–	–
Class A and Class B Senior Convertible Preferred Stock Return	31	52	29	–	–	–	–	–	–	–
Accretion of Preferred Stock	10	10	5	–	–	–	–	–	–	–
Stock-based Compensation Expense	2	4	6	10	15	18	4	5	5	4
Amortization of Deferred Airborne Lease Incentives	(1)	(4)	(8)	(13)	(20)	(30)	(7)	(8)	(9)	(9)
Loss on Extinguishment of Debt	–	–	–	–	–	15	15	–	–	–
Adjustment of deferred financing costs	–	5	–	–	2	(1)	–	–	–	–
Adjusted EBITDA	(1)	9	8	11	37	67	14	15	23	11