



2nd Quarter 2016 Earnings Results

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August 4, 2016

SAFE HARBOR STATEMENT



Safe Harbor Statement

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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 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 and Cash CAPEX. These financial measures are not recognized measures under GAAP, and when analyzing our performance or liquidity, as applicable, investors should (i) use Adjusted EBITDA in addition to, and not as an alternative to, net loss attributable to common stock as a measure of operating results, and (ii) use Cash CAPEX in addition to, and not as an alternative to, consolidated capital expenditures when evaluating our liquidity. See the Appendix for a reconciliation of each of Adjusted EBITDA and Cash CAPEX to the comparable GAAP measure. No reconciliation of the forecasted range for Adjusted EBITDA for fiscal 2016 is included in this release because we are unable to quantify certain amounts that would be required to be included in the respective corresponding GAAP measure without unreasonable efforts and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. In particular, we are not able to provide a reconciliation for the forecasted range of Adjusted EBITDA for 2016 due to variability in the timing of aircraft installations and de-installations impacting depreciation expense and amortization of deferred airborne leasing proceeds.

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.

SIGNIFICANT MOMENTUM IN Q2 '16



- ✓ 2Ku flying on three airlines
- ✓ Considerable progress on Gogo Biz 4G development and launching with Delta Private Jets
- ✓ New Partnership with IBM and The Weather Company

BOND DEAL ADDS LIQUIDITY



- ✓ Closed \$525 million bond deal and extended our debt maturities
- ✓ Added more than \$200M of cash on the balance sheet
- ✓ Funds will be used to support 2Ku installs
- ✓ 2-3 year gross margin payback on 2Ku installs¹

(1) Based on current average mainline ARPA as of 6/30/2016.

STRONG Q2 '16 FINANCIAL RESULTS



- ✓ Q2 '16 revenue was nearly \$148 million, up 22% Y/Y
- ✓ Q2 '16 Adjusted EBITDA¹ was over \$14 million, up 33% Y/Y

2Ku AWARDS EXCEED 1,200



- ✓ New aircraft awards in Q2 '16:
 - ✓ IAG (British Airways, Iberia, Aer Lingus)
 - ✓ Delta
 - ✓ American Airlines

- ✓ Total 2Ku awarded, but not yet installed aircraft, is more than 1,200¹

(1) As of 8/4/2016

STRONG PROGRESS ON 2Ku



- ✓ Received six STCs including Airbus A319, Boeing 737-800, Airbus A330 and Airbus A340
- ✓ Successfully completed first factory retrofit on A350

2Ku INSTALLATION FORECAST IS INCREASED

- ✓ Expect 2Ku installs of 75-100 in 2016
- ✓ Expect 2Ku installs of 350-450 in 2017
- ✓ Building supply chain to support at least 750 2Ku installs annually

2Ku INCREASING BANDWIDTH TO AVIATION



- ✓ 2Ku is performing well, pleased with Netflix streaming on Aeromexico
- ✓ Recently introduced a software upgrade that doubled throughput to the seat
- ✓ 2Ku performance is expected to improve to over 100 Mbps in 2017

BUSINESS AVIATION PROGRESS



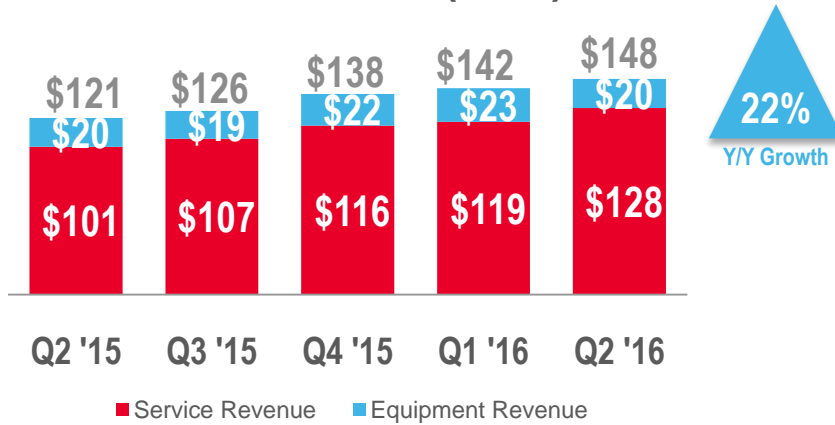
- ✓ Gogo Biz 4G on track to launch in 2Q 2017
- ✓ 4G offers enough bandwidth to bring ground-like experience to the BA market, including streaming video
- ✓ Delta Private Jets agreement strengthens ties with a key airline partner
- ✓ Partnership with The Weather Company offers pilots real-time turbulence information for safer flying experience

- ✓ Focused on installing 2Ku as quickly as possible
 - 2016 2Ku installations of 75 – 100
 - 2017 2Ku installations of 350 – 450
- ✓ Focused on scaling our operating capabilities to support our airline partners
- ✓ Focused on getting Gogo Biz 4G into the market

Q2'16 RECORD REVENUE

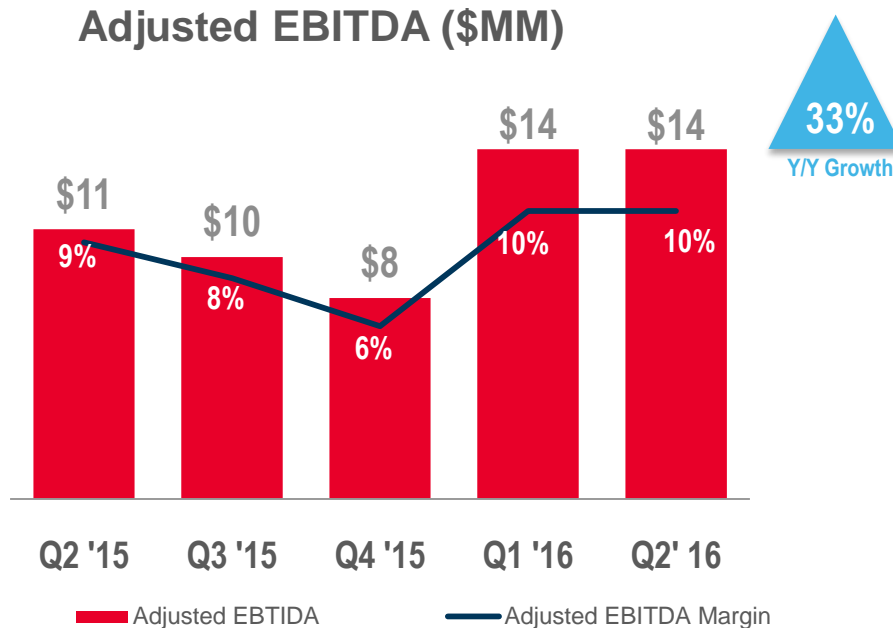


Total Revenue (\$MM)



- Q2'16 revenue up 22% Y/Y
- Service revenue up 26% Y/Y

SOLID GROWTH IN Q2'16 ADJUSTED EBITDA



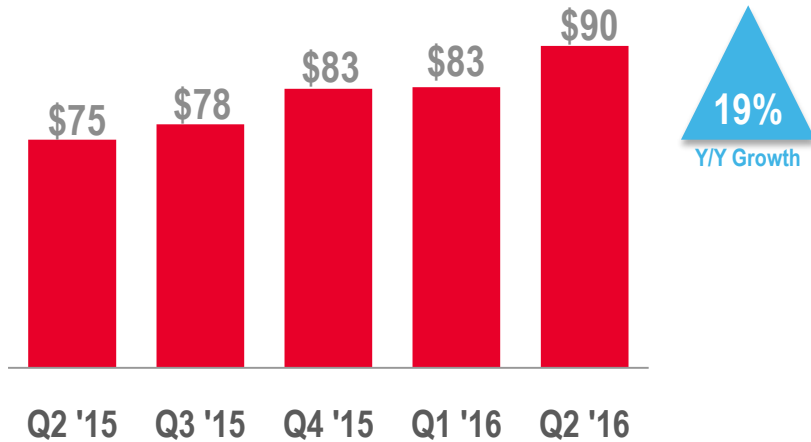
- Q2 '16 Adjusted EBITDA¹ increased 33% to \$14.4 million
- Q2 '16 Adjusted EBITDA margin increased to 10% from 9% Y/Y

Note: Minor differences exist due to rounding
(1) Adjusted EBITDA is a non-GAAP measure. See Appendix for a reconciliation to the comparable GAAP measure.
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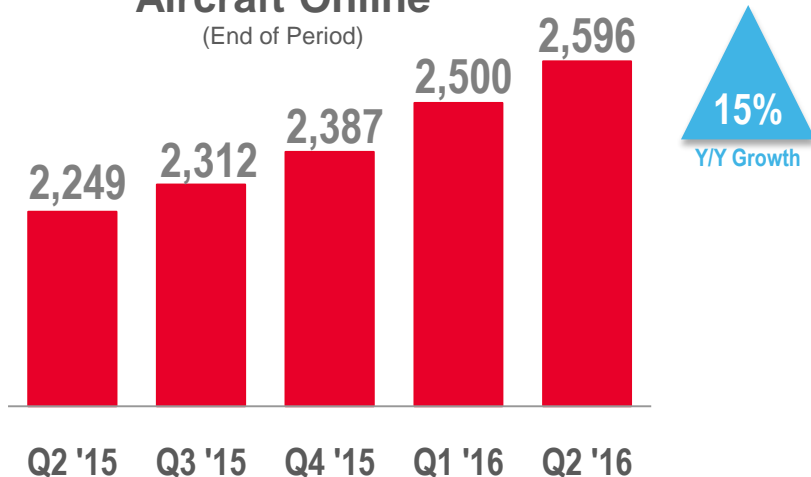
CA-NA - STRONG GROWTH IN REVENUE & AIRCRAFT ONLINE



Service Revenue (\$MM)



Aircraft Online (End of Period)

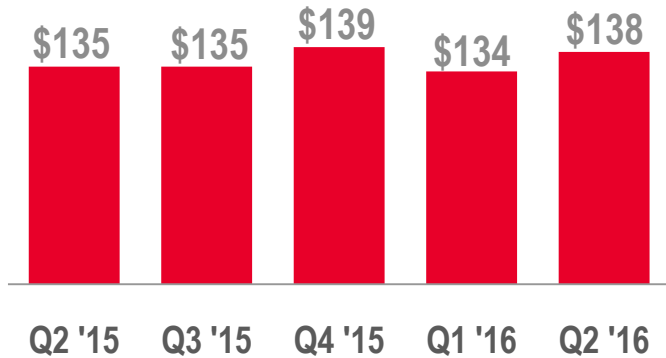


- Service revenue driven largely by increases in aircraft online
- 2,596 Aircraft Online as of 6/30/2016
- ~200 net awarded but not yet installed aircraft at end of Q2'16
- Aircraft installations:
 - 96 net aircraft installed in Q2 '16
 - >1,300 ATG-4 aircraft online as of 6/30/2016
 - Expect approximately 600 ATG-4 installs in 2016

CA-NA – ARPA GROWTH SEGMENT MARGIN EXPANDS

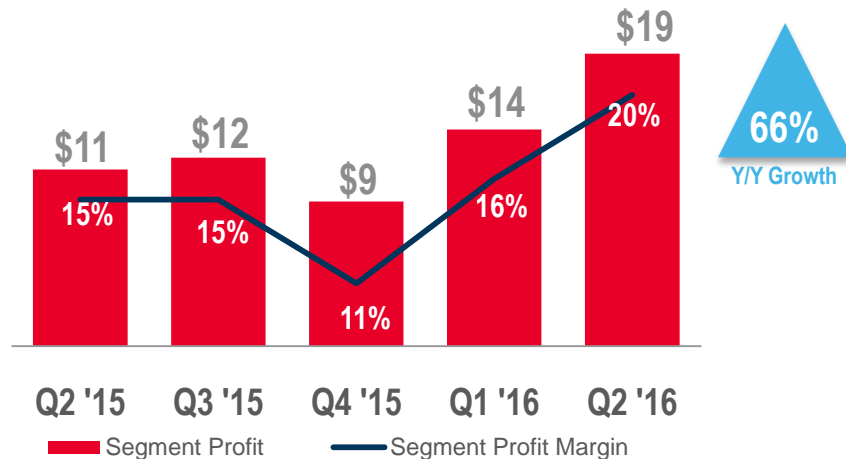


Annualized ARPA (\$M)



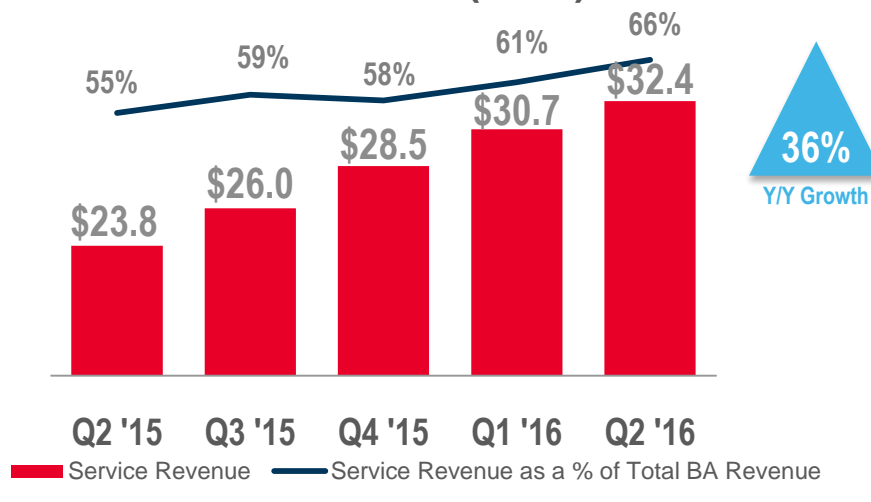
- ARPA grew to \$138K:
 - 14% y/y growth in ARPA excluding aircraft added since the beginning of 2015, primarily regional jets and aircraft with new airline partners
- Segment profit margin of 20%

Segment Profit (\$MM)



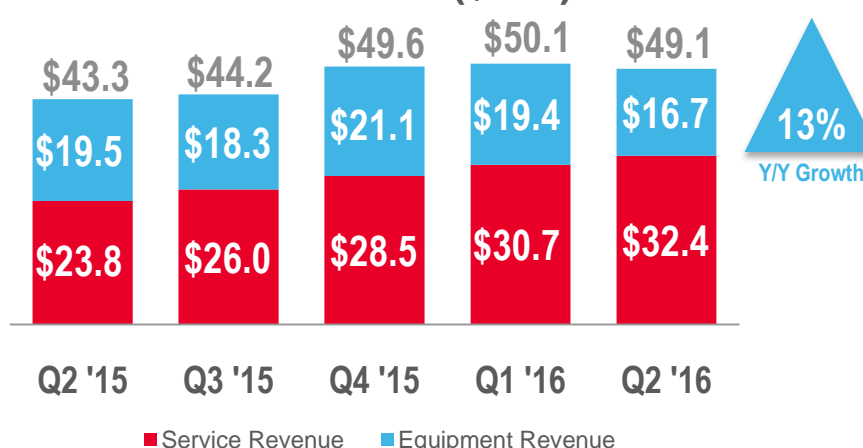
STRONG GROWTH IN BA SERVICE REVENUE

Service Revenue (\$MM)



- Service revenue increased 36% Y/Y to \$32 million
- Total BA revenue increased 13% Y/Y to \$49 million
- BA equipment revenue decreased to \$17 million, consistent with overall BA market

Total Revenue (\$MM)



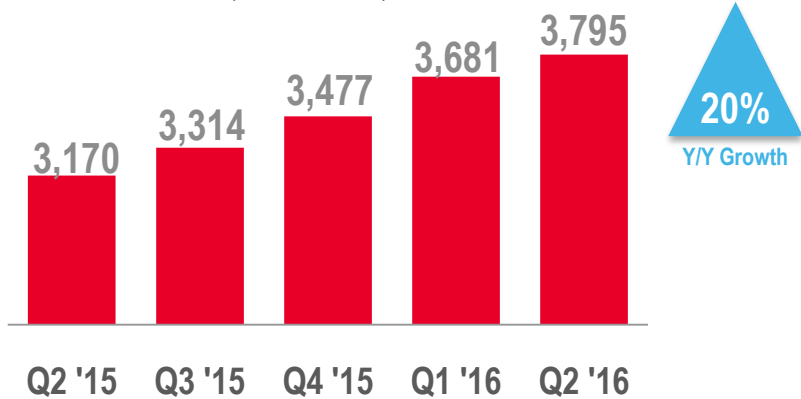
Note: Minor differences exist due to rounding

INCREASED ATG UNITS ONLINE & SERVICE ARPU DRIVE SEGMENT PROFIT GROWTH



ATG Units Online

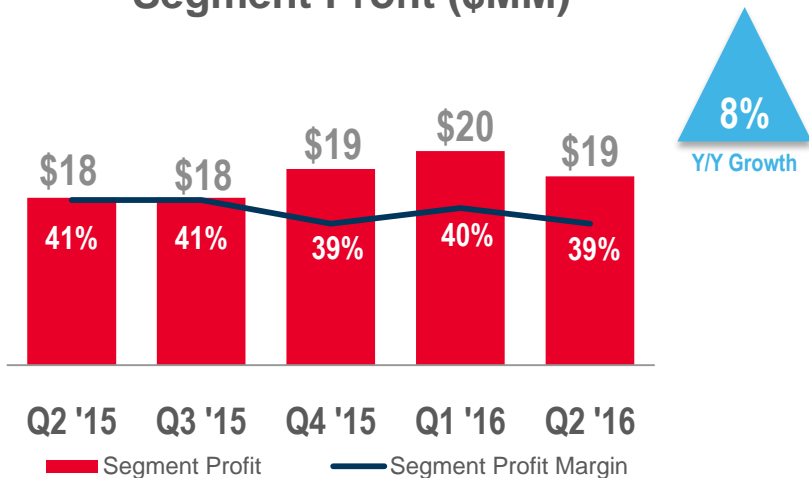
(End of Period)



- ATG units online increased 20%, to nearly 3,800

- ATG Service ARPU increased 14%, to over \$2,500 per month

Segment Profit (\$MM)



- Segment profit increased 8%, to \$19 million

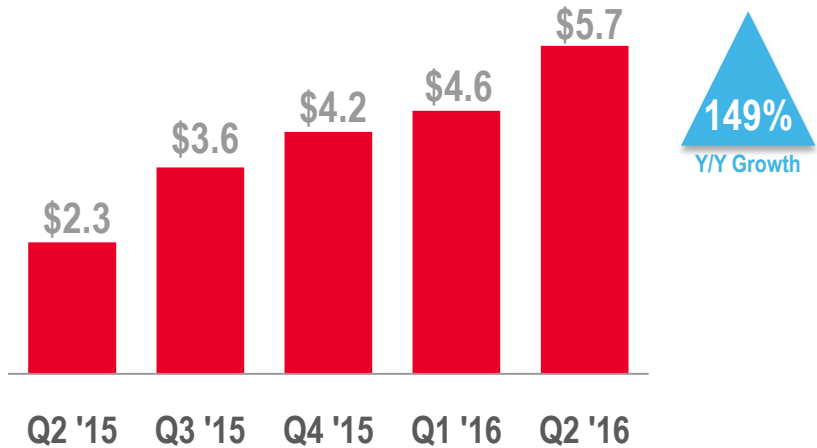
- Segment profit margin of 39%

Note: Minor differences exist due to rounding

CONTINUED GROWTH IN CA-ROW REVENUE AND AIRCRAFT ONLINE

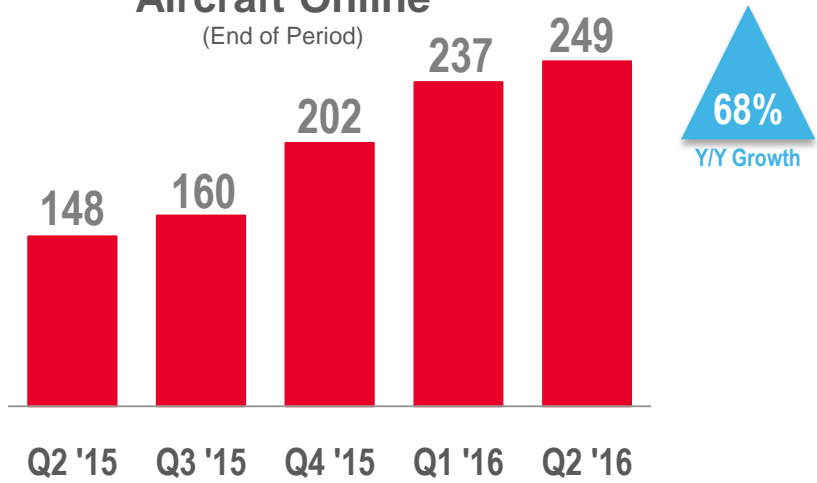


Total Revenue (\$MM)



- 249 aircraft online, up 12 Q/Q
- Near completion of Ku installs with Delta and Japan Airlines
- Revenue of \$5.7 million, double from Q2 '15

Aircraft Online (End of Period)

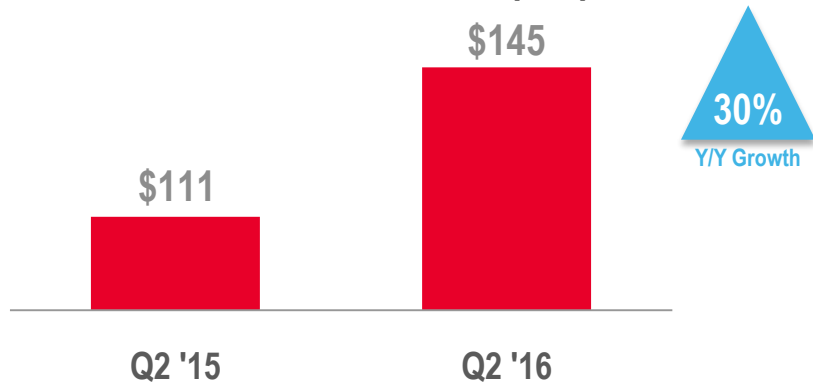


Note: Minor differences exist due to rounding
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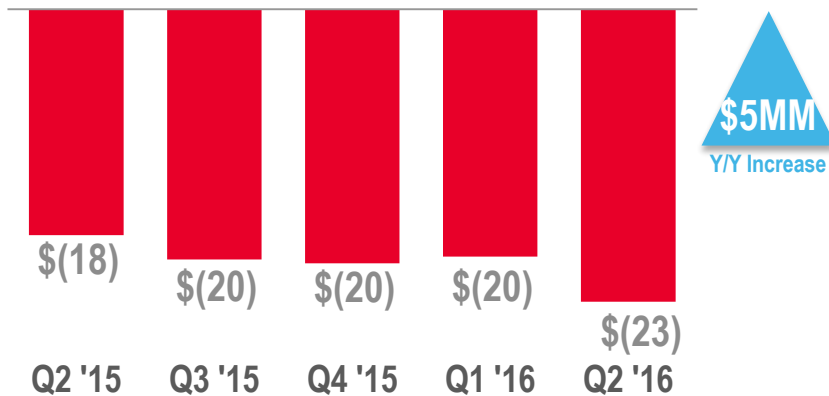
STRONG CA-ROW ARPA GROWTH



Annualized ARPA (\$M)

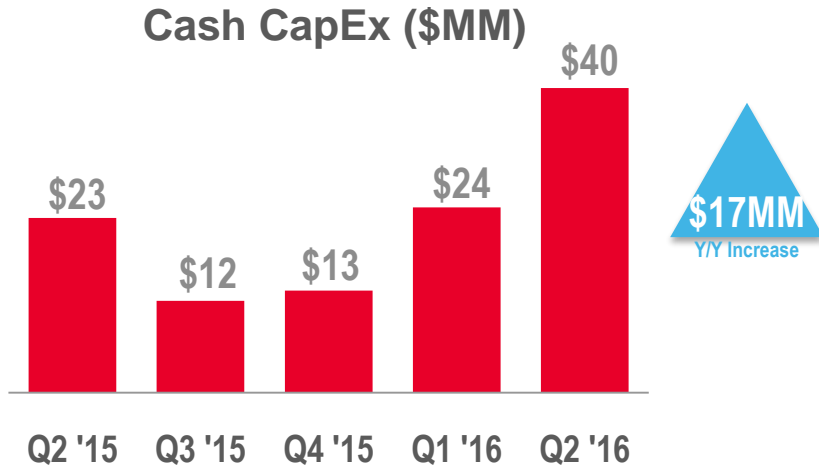


Segment Loss (\$MM)



- Annualized ARPA grew 30% Y/Y to \$145K
- Awarded but not yet installed aircraft is approximately 500, mostly 2Ku
- Expect to install majority of awarded aircraft by end of 2018
- Segment loss increased to \$23.3 million due to continued investment in 2Ku rollout and increased satellite capacity costs

CONSOLIDATED CASH CAPEX



- Q2 '16 Y/Y changes in capital expenditures due primarily to increased 2Ku airborne equipment purchases

Note: Minor differences exist due to rounding.

Note: Cash CAPEX is a non-GAAP measure. See Appendix for a reconciliation to the most comparable GAAP measure.

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BALANCE SHEET AND BOND DEAL



- ✓ \$509 million of cash on balance sheet at end of 2nd quarter
- ✓ Using proceeds from bond deal to support 2Ku rollout, continued global expansion and to retire existing senior debt
- ✓ One-time \$15 million debt extinguishment charge had \$0.20 impact on EPS

- ✓ **Installations**
 - 2Ku installations: 75-100 in 2016, 350-450 in 2017
 - CA-NA approximately 300 incremental installations, up from more than 200
 - CA-ROW ~75 aircraft in 2016, at least 200 in 2017, both consistent with prior guidance

- ✓ **Cash CAPEX¹**
 - \$110-\$135 million in 2016 consistent with prior guidance
 - \$140-\$165 million in 2017

- ✓ **Total revenue** to be above midpoint of the guidance range of \$575-\$595 million

- ✓ **Adjusted EBITDA²** between \$55-\$65 million

(1) Cash CAPEX is a non-GAAP measure. See Appendix for a reconciliation to the comparable GAAP measure.

(2) Adjusted EBITDA is a non-GAAP measure. We are not able to provide a reconciliation for the forecasted range of Adjusted EBITDA for 2016 due to variability in the timing of aircraft installations and de-installations impacting depreciation expense and amortization of deferred airborne leasing proceeds

Q&A



Appendix



GOGO INSTALLED AND AWARDED AIRCRAFT

AS OF 6/30/2016



Aircraft Online	CA-NA	CA-ROW	Total
ATG Aircraft Online	1,255	-	1,255
ATG-4 Aircraft Online	1,332	-	1,332
Ku Aircraft Online	-	249	249
2Ku Aircraft Online	9	-	9
Total Aircraft Online	2,596	249	2,845

Awarded But Not Yet Installed Aircraft¹

ATG & ATG-4 awarded but not yet installed aircraft	120	-	120
2Ku awarded but not yet installed aircraft	80	485	565
Total Awarded But Not Yet Installed Aircraft	200	485	685

Total Aircraft Online and Awarded But Not Yet Installed Aircraft	2,800	730	3,530
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2Ku Aircraft Online and Awarded But Not Yet Installed Aircraft¹

2Ku Aircraft Online	9	-	9
2Ku awarded but not yet installed, aircraft upgrades	650	-	650
2Ku awarded but not yet installed, new aircraft	80	485	565
Total 2Ku Aircraft Online and Awarded But Not Yet Installed Aircraft	739	485	1,200+

(1) All figures are as of 6/30/2016. Awarded but not yet installed figures are approximate and differences may exist due to rounding.

ADJUSTED EBITDA RECONCILIATION (\$MM)

	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Net Income	(20)	(25)	(29)	(34)	(24)	(40)
Interest Income	(0)	(0)	(0)	(0)	(0)	(0)
Interest Expense	10	16	17	16	16	18
Income Tax Provision	–	–	–	–	–	–
Depreciation & Amortization	19	21	22	25	24	25
EBITDA	9	12	10	8	17	2
Fair Value Derivative Adjustments	–	–	–	–	–	–
Class A and Class B Senior Convertible Preferred Stock Return	–	–	–	–	–	–
Accretion of Preferred Stock	–	–	–	–	–	–
Stock-based Compensation Expense	3	3	5	4	4	4
Amortization of Deferred Airborne Lease Incentives	(4)	(5)	(5)	(6)	(6)	(7)
Loss on Extinguishment of Debt	–	–	–	–	–	15
Adjustment of deferred financing costs	–	–	–	2	(1)	–
Adjusted EBITDA	8	11	10	8	14	14

CASH CAPEX RECONCILIATION (\$MM)

	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Purchases of Property and Equipment	(53)	(33)	(19)	(30)	(31)	(40)
Acquisition of Intangible Assets (Capitalized Software)	(4)	(4)	(4)	(5)	(6)	(8)
Consolidated Capital Expenditures	(57)	(37)	(24)	(35)	(37)	(48)
Change in Deferred Airborne Lease Incentives	9	7	7	14	8	1
Amortization of Deferred Airborne Lease Incentives	4	5	5	6	6	7
Landlord Incentives	12	3	–	1	–	–
Cash CapEx	(32)	(23)	(12)	(13)	(24)	(40)

CASH CAPEX GUIDANCE RECONCILIATION (\$MM)



For the year ending 2016	Low	High
Consolidated capital expenditures (GAAP)	(150)	(185)
Deferred airborne lease incentives	40	50
Cash CAPEX	(110)	(135)

For the year ending 2017	Low	High
Consolidated capital expenditures (GAAP)	(220)	(265)
Deferred airborne lease incentives	80	100
Cash CAPEX	(140)	(165)