



4th Quarter 2016 Earnings Results

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February 27, 2017

SAFE HARBOR STATEMENT



Safe Harbor Statement

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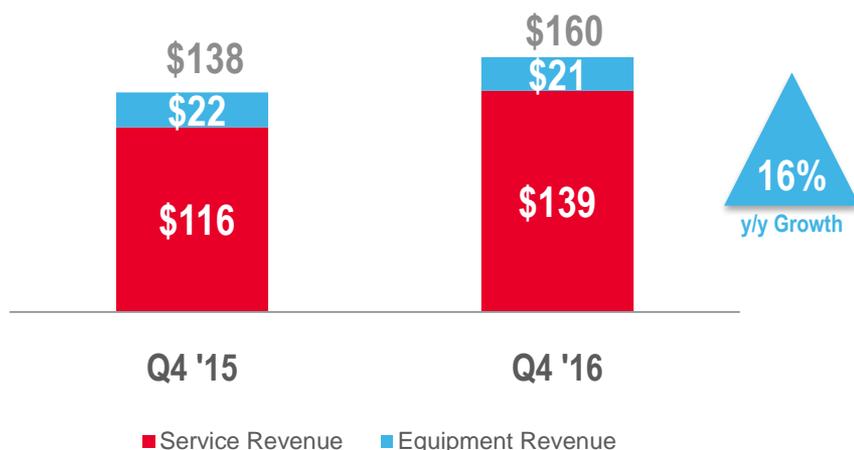
Note to Certain Operating and Financial Data

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, Adjusted EBITDA margin 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 and Adjusted EBITDA margin 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 2017 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 2017 due to variability in the timing of aircraft installations and de-installations impacting depreciation expense and amortization of deferred airborne leasing proceeds.

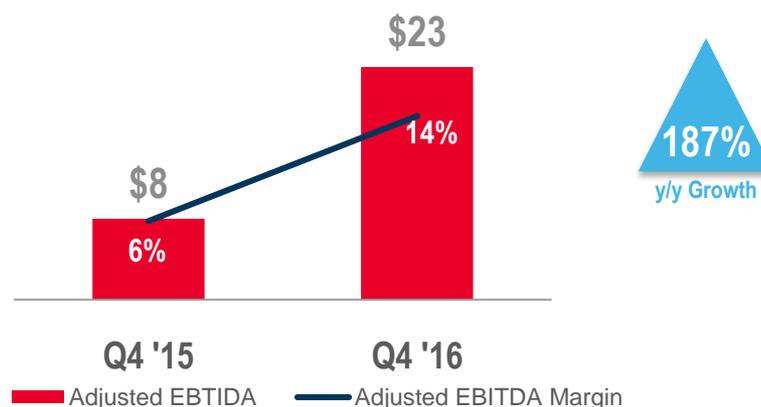
In addition, this presentation contains various customer metrics and operating data, including numbers of aircraft or units online, that are based on internal company data, as well as information relating to the commercial and business aviation market, and our position within those markets. While management 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.

STRONG Q4 AND 2016 PERFORMANCE

Total Revenue (\$MM)



Adjusted EBITDA¹ (\$MM)



Record quarterly financial results and exceeded annual guidance

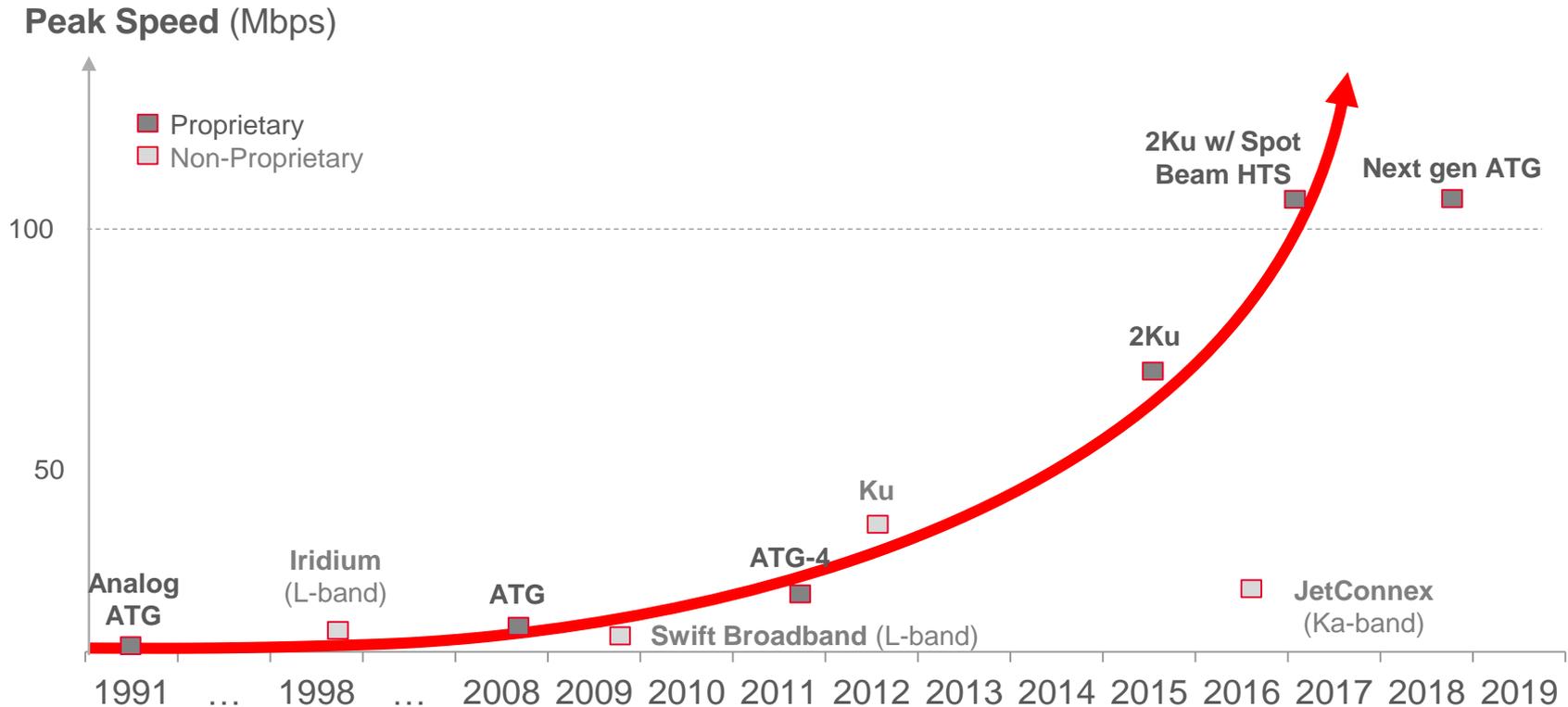
Expect to go levered free cash flow² positive in 2019

2Ku has taken flight and started the era of bandwidth abundance

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

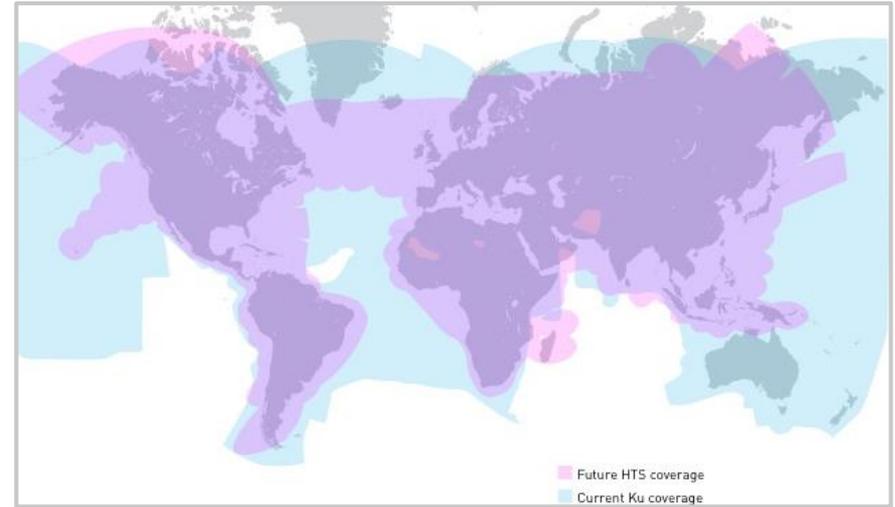
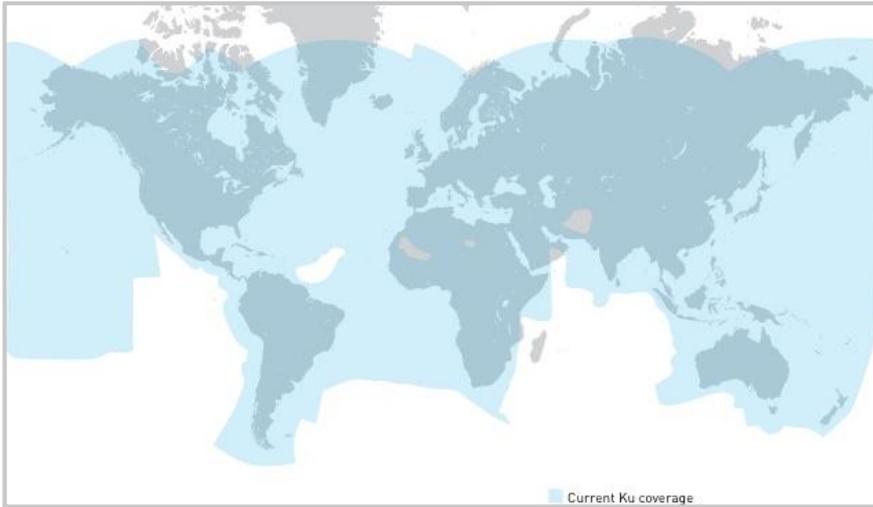
(2) Free cash flow is defined as cash from operating activities net of capital expenditures

TECHNOLOGY ROADMAP BRINGS MORE BANDWIDTH AT LOWER COSTS



More bandwidth drives more uses, users, payers of connectivity, and ARPA growth

GLOBAL SATELLITE NETWORK STRATEGY

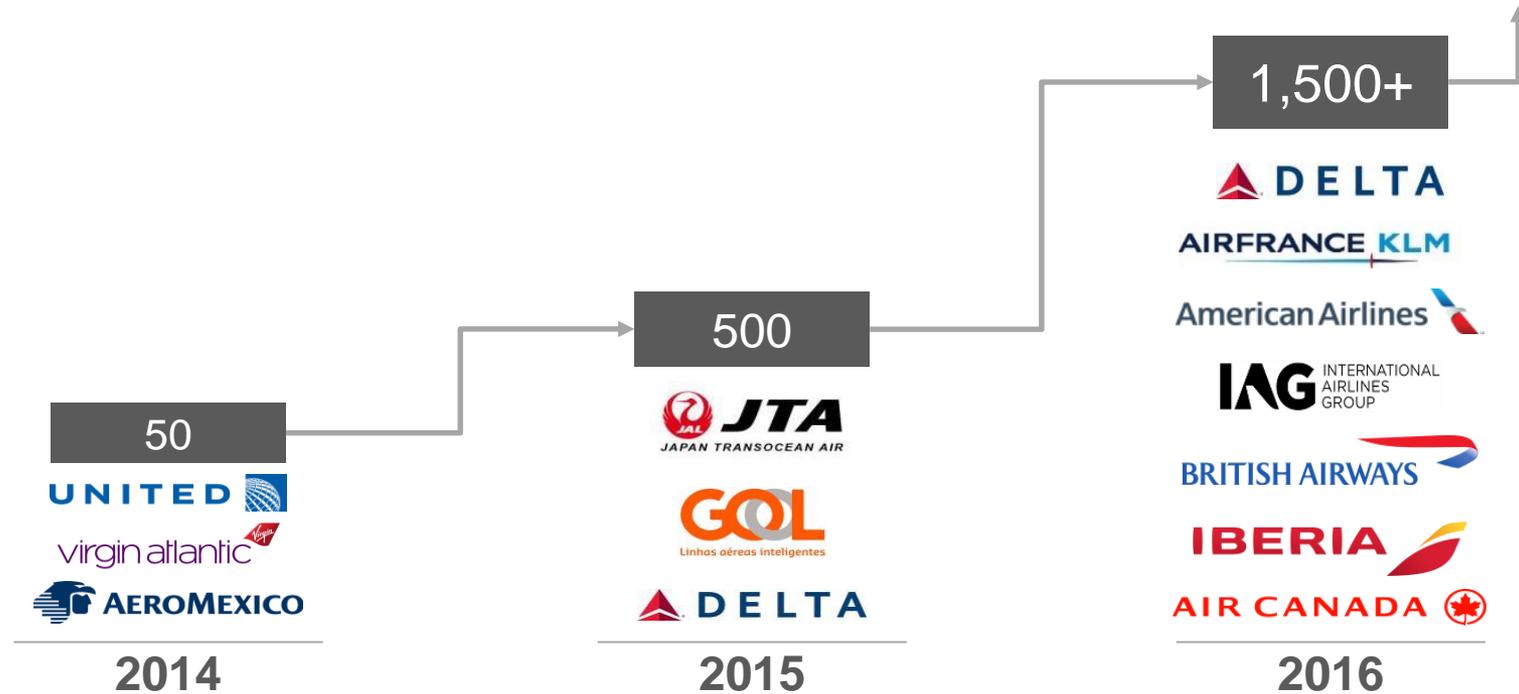


Leasing satellite capacity lets us take advantage of industry's rapid innovations

Benefits: lower bandwidth costs, robust capacity and geographic coverage

2Ku open platform lets us take advantage of new satellites without taking aircraft out of service

OVER 1,000 2Ku AIRCRAFT AWARDS IN 2016



Enough awarded aircraft to achieve profitability in CA-Rest of World and on consolidated basis

Focus on Asia and Middle East in 2017

Grow share of aircraft awards through the OEM channel

2Ku AND OPERATIONS UPDATE

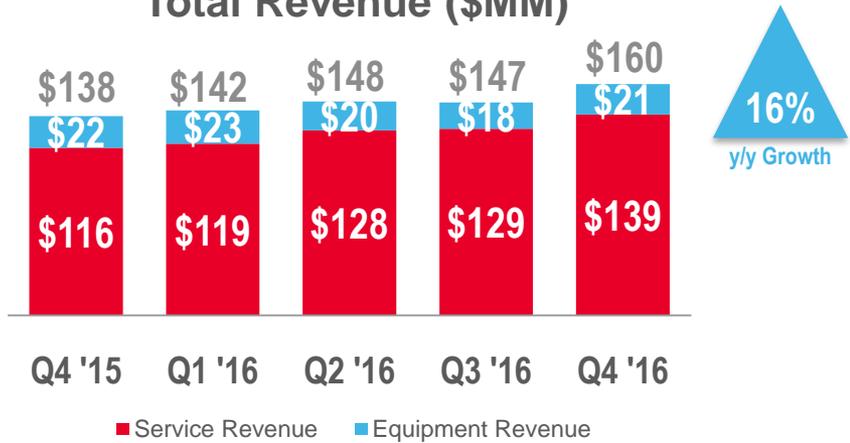


- ✓ Reduced 2Ku install time down to 3 days, best in industry
- ✓ Increased 2Ku installation guidance
- ✓ Reduced 2Ku system costs and expect further cost reductions
- ✓ Expect 2Ku STCs for all leading airframes by end of 2017
- ✓ First OEM aftermarket install expected in 2017

Q4'16 STRONG FINANCIAL PERFORMANCE



Total Revenue (\$MM)



- Q4'16 revenue up 16% y/y
- Service revenue up 20% y/y

Adjusted EBITDA (\$MM)



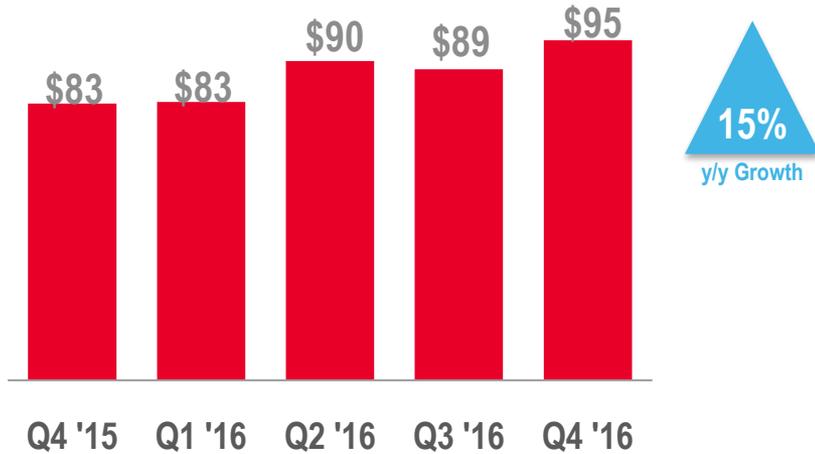
- Q4 '16 Adjusted EBITDA¹ increased 187% y/y to \$23 million
- Q4 '16 Adjusted EBITDA margin increased to 14% from 6% y/y

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

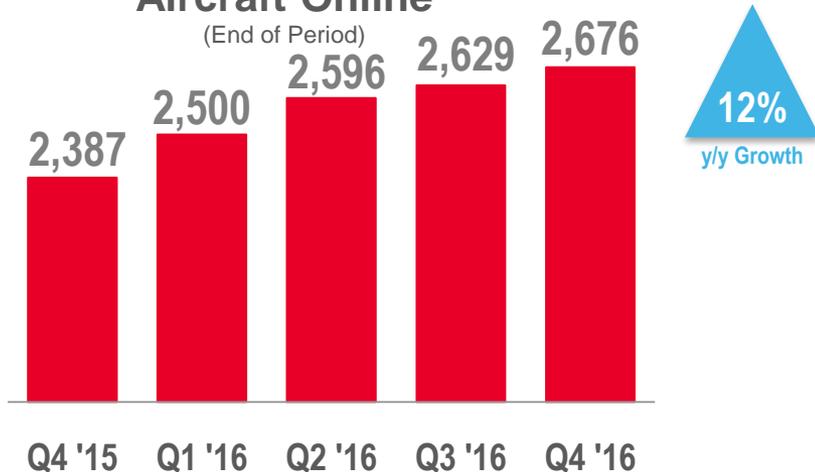


Service Revenue (\$MM)



Aircraft Online

(End of Period)



- Service revenue driven largely by increases in aircraft online
- 47 net aircraft installed in Q4 '16, ending the year with 2,676 aircraft online

CA-NA – ROBUST SEGMENT PROFIT GROWTH

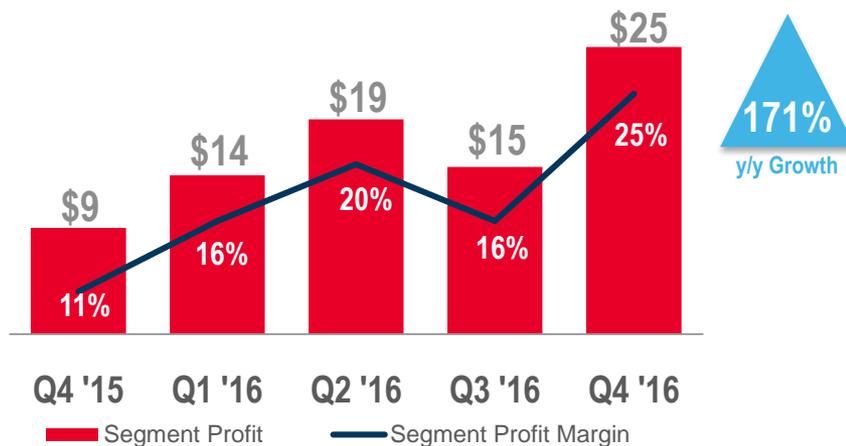


Annualized ARPA (\$M)



- Annualized ARPA of \$141K
 - ~8% y/y ARPA growth adjusting for dilution from additional regional jets and aircraft added by new airline partners

Segment Profit (\$MM)



- Segment profit up 171% y/y to \$25 million
 - Margin up 14 percentage points from prior year due to increased operating leverage
 - Excluding the timing of certain non-cash accruals, margin would have been approximately 20%

CA-ROW REVENUE & AIRCRAFT ONLINE CONTINUE STRONG GROWTH



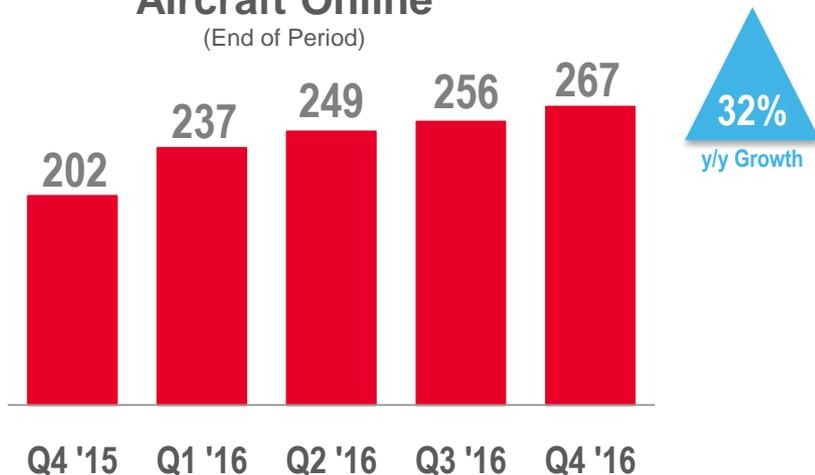
Total Revenue (\$MM)



- Revenue of \$7.4 million, up 76% from Q4 '15
 - Aircraft online growth of 32%
 - ARPA growth of 17%

- 267 aircraft online, up 65 aircraft y/y

Aircraft Online (End of Period)

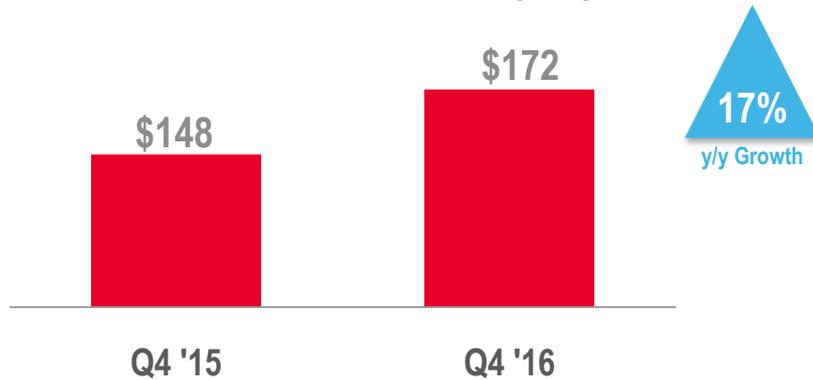


- 2Ku awarded but not yet installed aircraft is approximately 560 at 12/31/2016

STRONG CA-ROW ARPA GROWTH CONTINUES



Annualized ARPA (\$M)

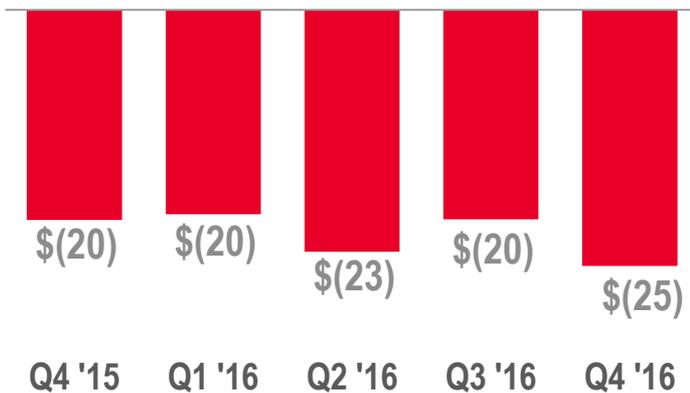


- Annualized ARPA grew 17% y/y to \$172K
 - Driven by higher airline paid and third party paid usage

- Segment loss increased to \$25 million

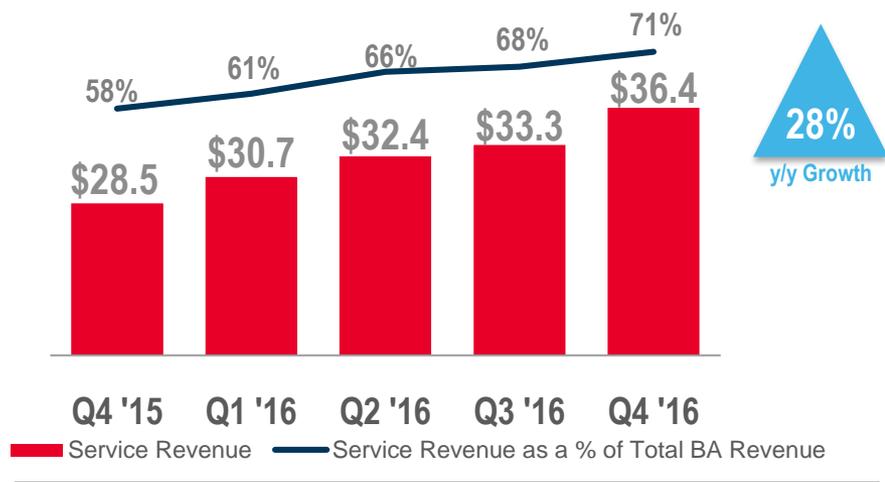
- Driven by higher ED&D expenses related to 2Ku launch programs and increased satellite capacity to support new airline launches

Segment Loss (\$MM)



STRONG GROWTH IN BA SERVICE REVENUE

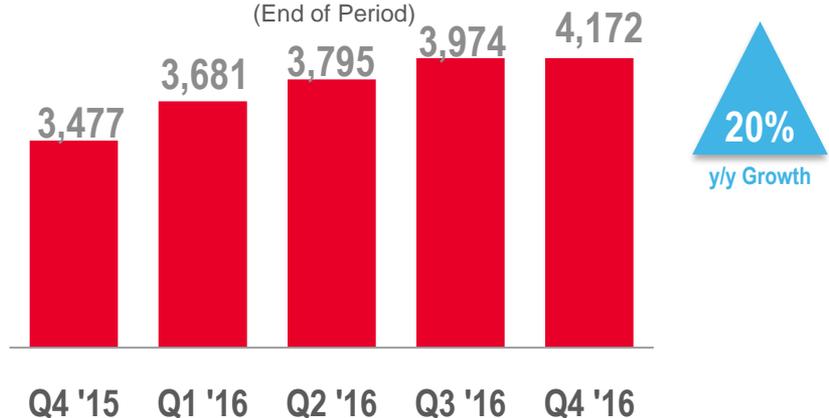
Service Revenue (\$MM)



- Service revenue increased 28% y/y to \$36 million
- ATG aircraft online increased 20% y/y, to nearly 4,200
- ATG Service ARPU¹ increased 7% y/y, to over \$2,600 per month

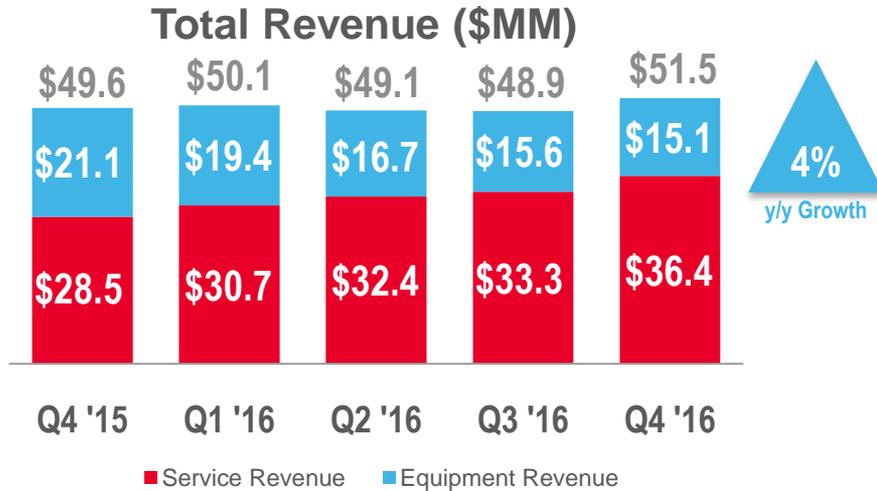
ATG Aircraft Online

(End of Period)



(1) Defined in our earnings release as average monthly service revenue per ATG aircraft online
 Note: Minor differences exist due to rounding

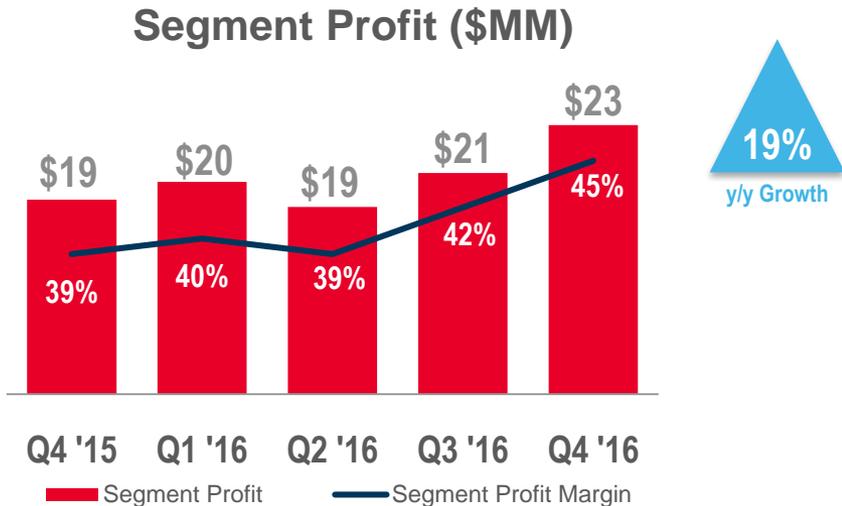
SERVICE REVENUE DRIVES STRONG SEGMENT MARGIN GROWTH



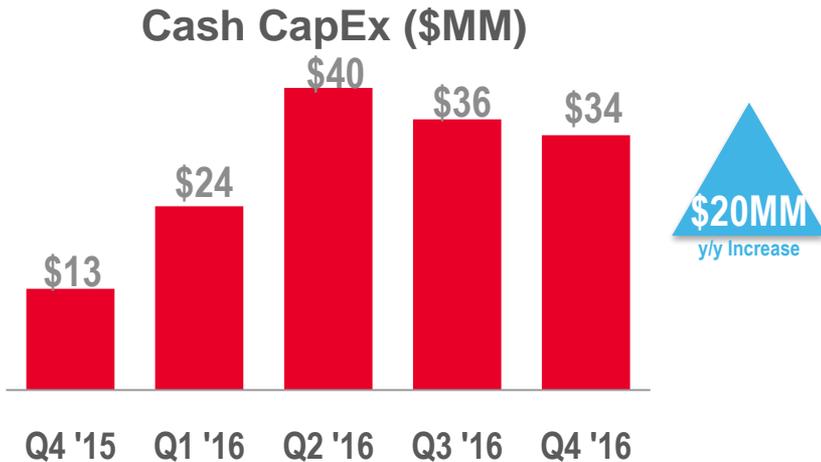
- BA equipment revenue decreased to \$15 million
 - Driven by deferral of 4G revenue that will be recognized starting in second quarter of 2017 as 4G units are shipped

- Segment profit increased 19% y/y, to \$23 million

- Segment profit margin expanded to 45%



CONSOLIDATED CASH CAPEX



- Q4 '16 y/y changes in Cash CAPEX
 - Due primarily to increased airborne equipment purchases to support 2Ku installs

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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2016 FULL YEAR HIGHLIGHTS



- ✓ Revenue grew 19% to \$597 million
- ✓ Adj. EBITDA grew 83% to \$67 million
- ✓ Exceeded 2016 financial guidance
- ✓ Strengthened balance sheet

- ✓ **2017 Total revenue** between \$670-\$695 million, y/y growth of 12-17%
 - CA-NA revenue \$405-\$425 million
 - CA-ROW revenue of \$40-\$50 million
 - BA revenue \$220-\$230 million
- ✓ **2017 Adjusted EBITDA¹** between \$60-\$75 million
 - Includes \$50 million of expense for tech development in NA and launch costs for new airlines in ROW
- ✓ **2Ku Installations**
 - 2017 2Ku installs of 450-550, including approx. 150 in ROW
 - 2018 2Ku installs of 650-750, including approx. 300 in ROW
- ✓ **Cash CapEx²**
 - 2017 Cash CapEx of \$230-\$260 million
 - 2018 Cash CapEx of \$70-\$120 million

(1) Adjusted EBITDA is a non-GAAP measure. We are not able to provide a reconciliation for the forecasted range of Adjusted EBITDA for 2017 due to variability in the timing of aircraft installations and de-installations impacting depreciation expense and amortization of deferred airborne leasing proceeds

(2) Cash CAPEX is a non-GAAP measure. See Appendix for a reconciliation to the comparable GAAP measure. We estimate that 70% to 80% of 2018 2Ku equipment transactions will be under our airline directed business model, which will be accounted for as equipment revenue and cost of goods sold, rather than as capital expenditures and deferred airborne leasing proceeds.

Q&A



Appendix



GOGO INSTALLED AND AWARDED AIRCRAFT AS OF 12/31/2016



Aircraft Online	CA-NA	CA-ROW	Total
ATG Aircraft Online	898	-	898
ATG-4 Aircraft Online	1,719	-	1,719
Ku Aircraft Online	-	259	259
2Ku Aircraft Online	59	8	67
Total Aircraft Online	2,676	267	2,943

2Ku Aircraft Installed & Awarded But Not Yet Installed ¹	CA-NA	CA-ROW	Total
2Ku Aircraft Installed	81	13	94
2Ku Awarded but not yet installed, aircraft conversions	790	-	790
2Ku Awarded but not yet installed, new aircraft	60	560	620
Total 2Ku Aircraft Installed and Awarded But Not Yet Installed	931	573	1,500+

(1) All figures are as of 12/31/2016. 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)

	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4
Net Income	(20)	(25)	(29)	(34)	(24)	(40)	(33)	(27)
Interest Income	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(1)
Interest Expense	10	16	17	16	16	18	25	25
Depreciation & Amortization	19	21	22	25	24	25	27	30
EBITDA	9	12	10	8	17	2	18	27
Stock-based Compensation Expense	3	3	5	4	4	4	5	5
Amortization of Deferred Airborne Lease Incentives	(4)	(5)	(5)	(6)	(6)	(7)	(8)	(9)
Loss on Extinguishment of Debt	–	–	–	–	–	15	–	–
Adjustment of deferred financing costs	–	–	–	2	(1)	–	–	–
Adjusted EBITDA	8	11	10	8	14	14	15	23

CASH CAPEX RECONCILIATION (\$MM)

	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4
Purchases of Property and Equipment	(53)	(33)	(19)	(30)	(31)	(40)	(36)	(41)
Acquisition of Intangible Assets (Capitalized Software)	(4)	(4)	(4)	(5)	(6)	(8)	(8)	(7)
Consolidated Capital Expenditures	(57)	(37)	(24)	(35)	(37)	(48)	(44)	(48)
Change in Deferred Airborne Lease Incentives	9	7	7	14	8	1	0	6
Amortization of Deferred Airborne Lease Incentives	4	5	5	6	6	7	8	9
Landlord Incentives	12	3	–	1	–	–	–	–
Cash CapEx	(32)	(23)	(12)	(13)	(24)	(40)	(36)	(34)



CASH CAPEX GUIDANCE RECONCILIATION (\$MM)

For the year ending 2017	Low	High
Consolidated capital expenditures (GAAP)	(290)	(330)
Deferred airborne lease incentives	60	70
Cash CAPEX	(230)	(260)

For the year ending 2018	Low	High
Consolidated capital expenditures (GAAP)	(110)	(170)
Deferred airborne lease incentives	40	50
Cash CAPEX	(70)	(120)