



4th Quarter 2017 Earnings Results

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February 22, 2018

Safe harbor statement

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 disclosures 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.

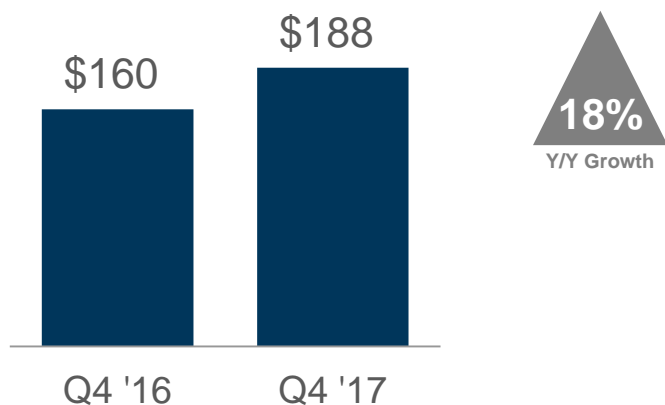
Note to Certain Operating and Financial Data

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, 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 2018 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 2018 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.

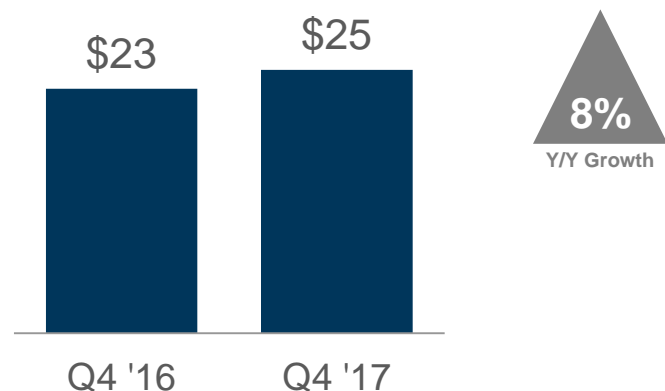
Record quarterly results

Total Revenue (\$MM)



Total revenue up **18%** Y/Y

Adjusted EBITDA (\$MM)

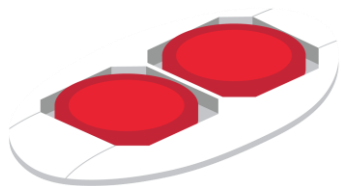


Adj. EBITDA up **\$2M** Y/Y
to a record **\$25M**

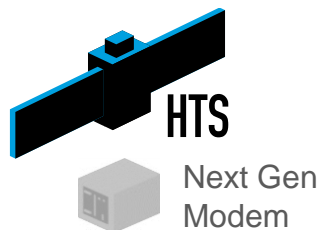
Major progress on strategic objectives



Awarded **200** additional aircraft
Now **2,000+** 2Ku awards



225+ Aircraft installed with 2Ku
in Q4 '17



Weighted avg. peak speed per
commercial aircraft increased **30%**
Q/Q and nearly **100%** Y/Y

New products drive increased engagement



Alaska

 **DELTA**

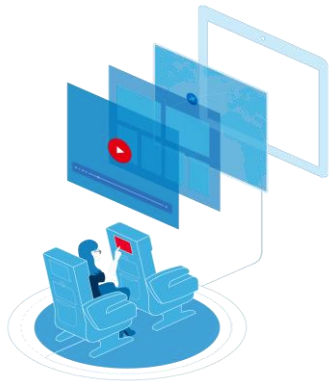
Messaging passes increasing passenger engagement, take rate up **36%** Y/Y

GOL

GOL launches Gogo TV



Gogo Vision Touch on Delta C-Series
Lightweight, low-cost seatback solution



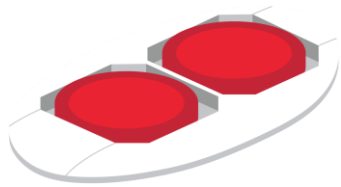
Unified Portal: Delivering a consistent passenger experience across IFC providers

Business Aviation's strong growth trajectory



20,000+
Business Aviation
Aircraft

Complete in-flight internet portfolio to address all business aircraft



2Ku penetrating the VVIP market



Ku tail mount antenna to target large, global business jets



ATG-NG extends leadership position

Bandwidth Growth

2Ku installs, modem upgrades,
HTS satellites & launch of ATG-NG

Win Aircraft Grow ARPA

More bandwidth will drive aircraft
awards and ARPA

BA: Continued Growth

Strong revenue and profitability
growth

Strong operational execution

227

2Ku aircraft installed in Q4

473

2Ku aircraft installed in 2017

16X

New modem increases throughput 16X

<1/2

Installation times less than half of the competition

9,000

Aircraft expected to be installed with IFC through OEM programs over next 10 years

Airbus

Expects first 2Ku line-fit order in first half of 2018

C-Series

Delta Air Lines to take delivery of first 2Ku and Gogo Vision Touch line-fit C-Series in 2018

Boeing

Expects first delivery of 2Ku 737-Max delivery in 2019

Delivering more bandwidth globally



1,100
to
1,200

Total 2Ku aircraft online at end of 2018

↓
450

CA-ROW 2Ku aircraft online at end of 2018

~2X

Growth in 2Ku aircraft online over 2017



ATG-NG commercially available in late 2018

Business Aviation continues to extend market reach



Current customers upgrading and recommitting to Gogo

- **200** Avance L5 units shipped in 2017
- Streaming class internet experience

20,000+
Business Aviation
Aircraft

Solutions for every aircraft:

- AVANCE L3 & L5
- ATG-NG
- Ku tail mount

Key takeaways - COO

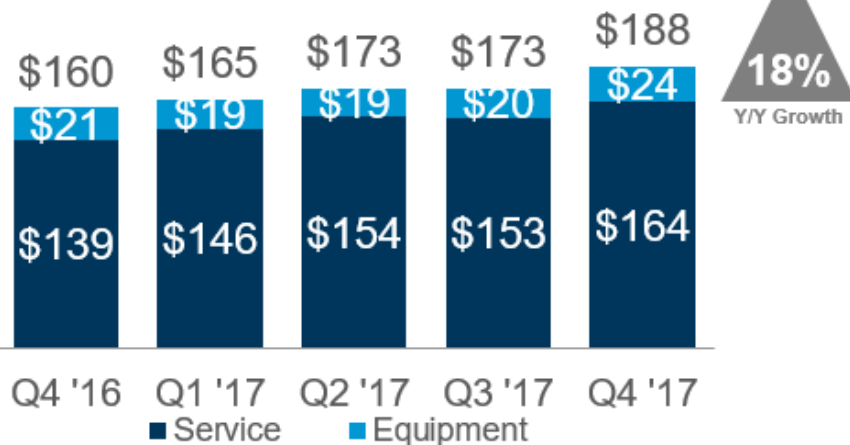
Relationships built on over 25 years of experience

Continually enhancing our capabilities

Business Aviation set for a strong 2018 and to capitalize on long-term growth opportunities

Strong revenue growth

Total Revenue (\$MM)

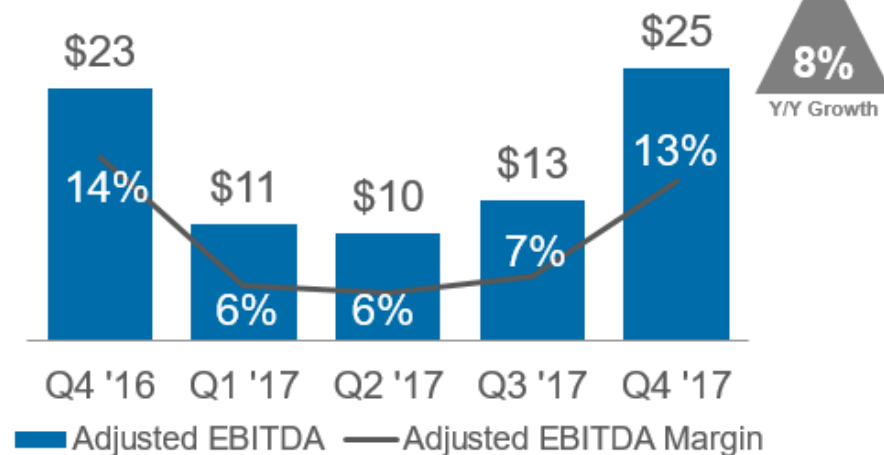


Q4 '17 revenue up 18% Y/Y

Service revenue up 18% Y/Y

- CA-ROW up 119%
- BA up 25%

Adjusted EBITDA (\$MM)



Q4 '17 Adjusted EBITDA reaches record \$25 million

- Second half of '17 nearly doubled first half of the year
- Expect increased network utilization, falling unit bandwidth costs & expense management to drive operating leverage

Note: Minor differences exist due to rounding.

(1) Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. See Appendix for a reconciliation to the comparable GAAP measures.

CA-NA: Continued service revenue growth

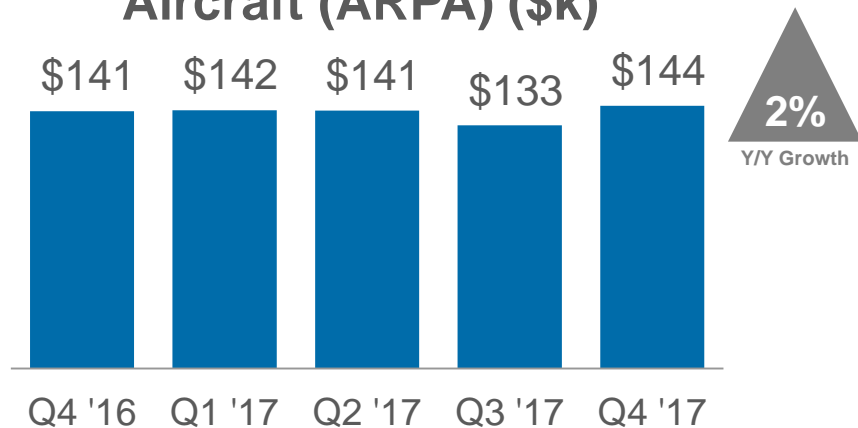
Service Revenue (\$MM)



Service revenue of \$103M up 8%

- 2,840 aircraft online, up 164 aircraft Y/Y

Average Revenue Per Aircraft (ARPA) (\$k)



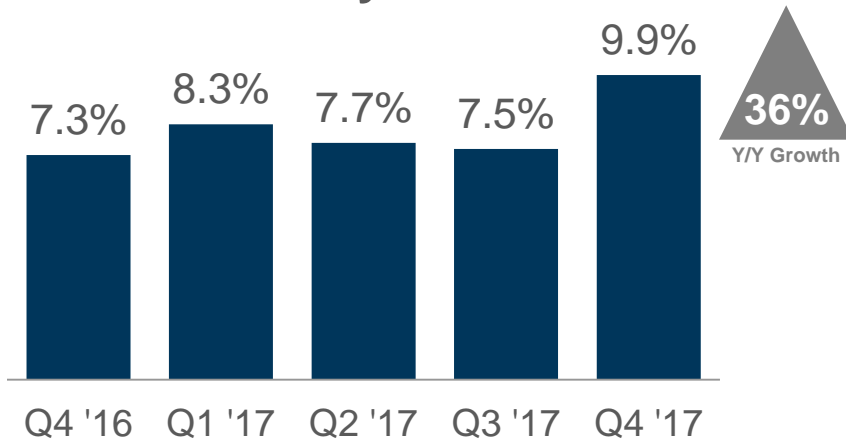
Annualized ARPA up 2% Y/Y to \$144k

- Annualized Satellite ARPA \$223k
- Annualized ATG ARPA \$131k

CA-NA: Expanding engagement through multi-payer strategy



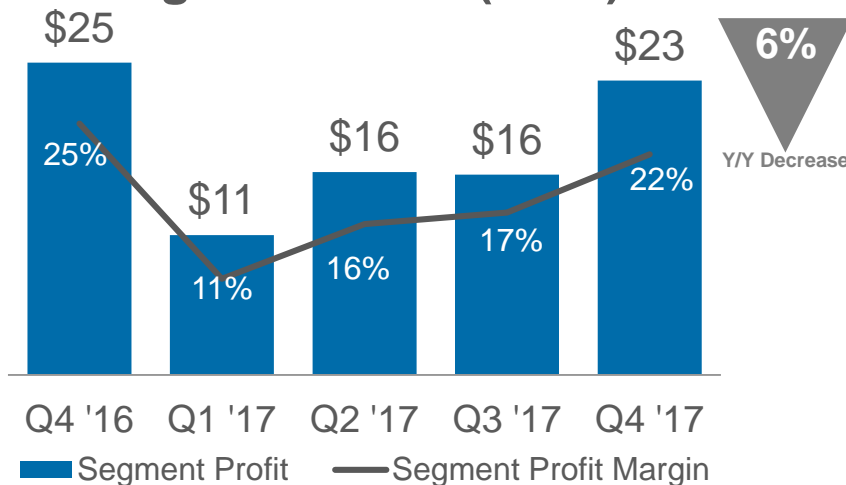
Connectivity Take Rate



Take rate up 36% Y/Y:

- Increased passenger engagement with airline paid and third party paid offerings

Segment Profit (\$MM)



Segment profit of \$23 million

- Up \$7 million sequentially
- Segment profit margin flat Y/Y when adjusting for a positive non-cash adjustment in 2016

CA-ROW: Revenue doubled year-over-year for fourth consecutive quarter



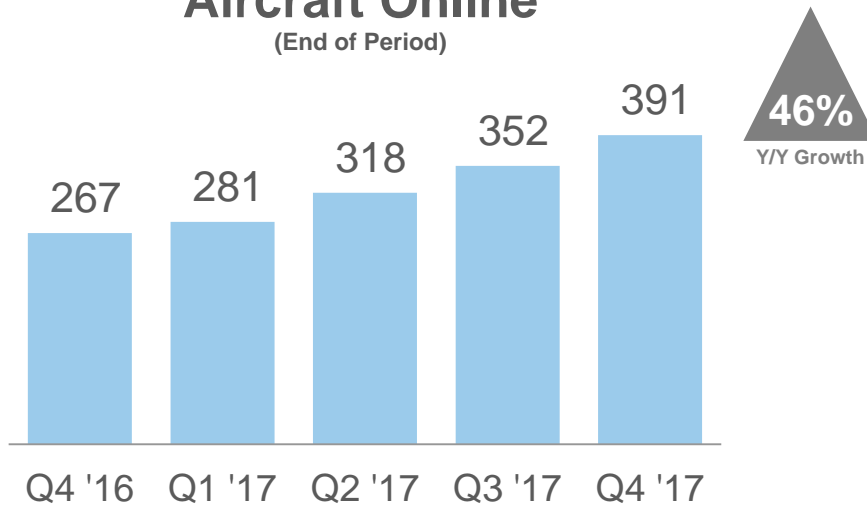
Service Revenue (\$MM)



Service revenue doubled Y/Y for the 4th consecutive quarter to \$15.3 million

- Aircraft equivalents online increased 57% Y/Y
- \$201k annualized ARPA, up 17% Y/Y

Aircraft Online (End of Period)



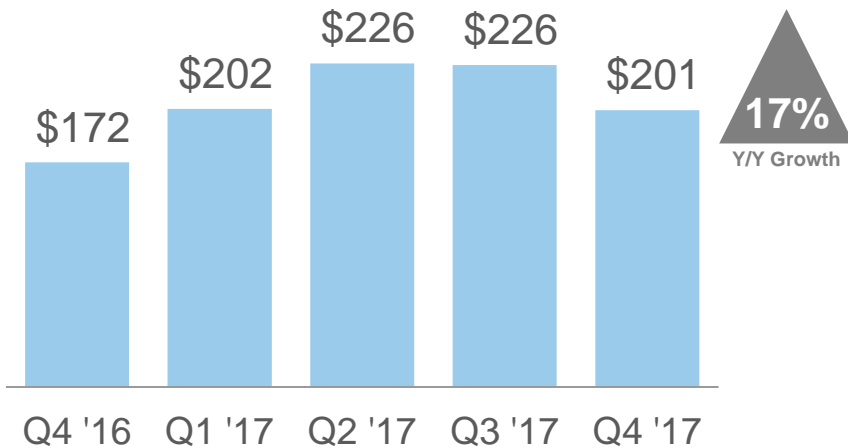
Aircraft Online up 124 Y/Y

- Increase of 39 aircraft online Q/Q
- 138 2Ku aircraft online at year-end

CA-ROW: Scaling our international business



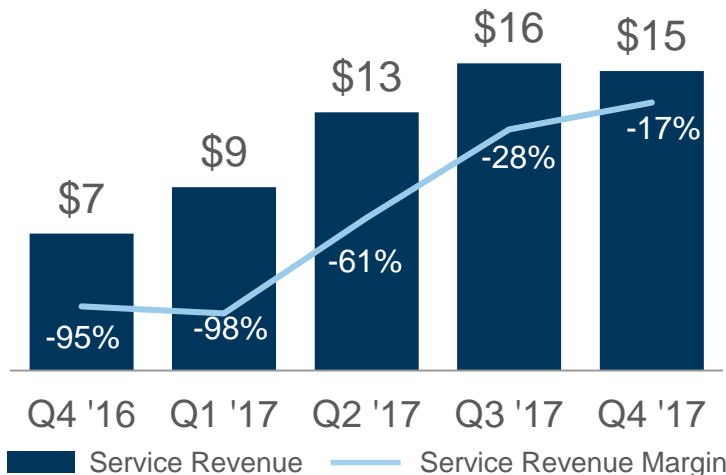
Annualized ARPA (\$k)



Annualized ARPA up 17% to \$201k

- Sequentially, growth in ARPA for existing aircraft offset by new aircraft. New aircraft represented ~40% of aircraft online
- ARPA for airlines launched prior to 2017 grew 66% Y/Y
- ARPA growth expected in 2019 as new aircraft become seasoned

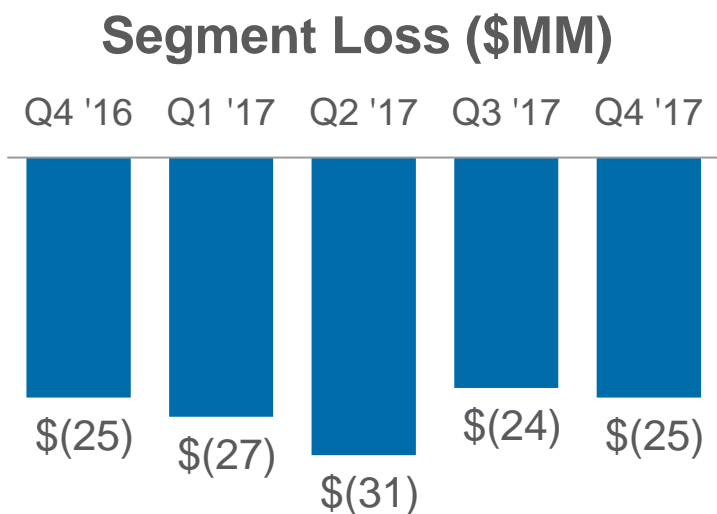
Service Revenue (\$MM)



Service revenue margin improved significantly Y/Y

- Leveraging of global Ku network driving service margin improvement

CA-ROW: On path to profitability



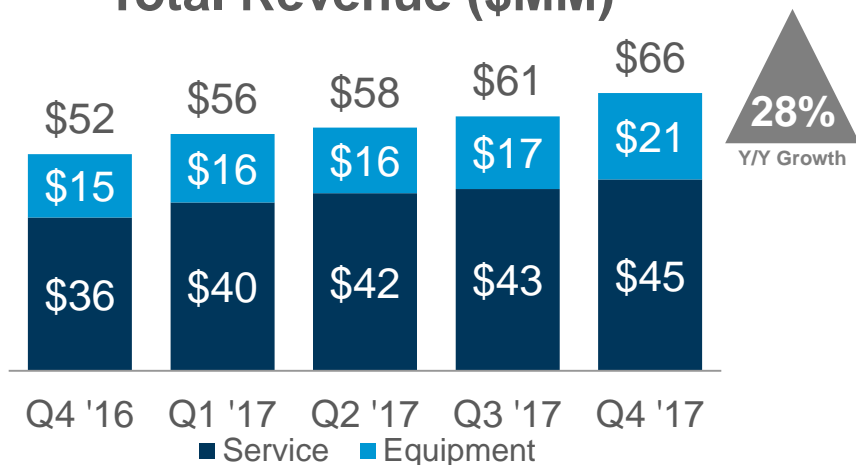
Segment loss approximately equivalent Y/Y

Path to profitability:

- Expect continued operating leverage as aircraft are brought online
- 770 awarded but not yet installed aircraft at 12/31/17
- Enough awarded aircraft to reach profitability

BA: Continuing strong revenue growth

Total Revenue (\$MM)

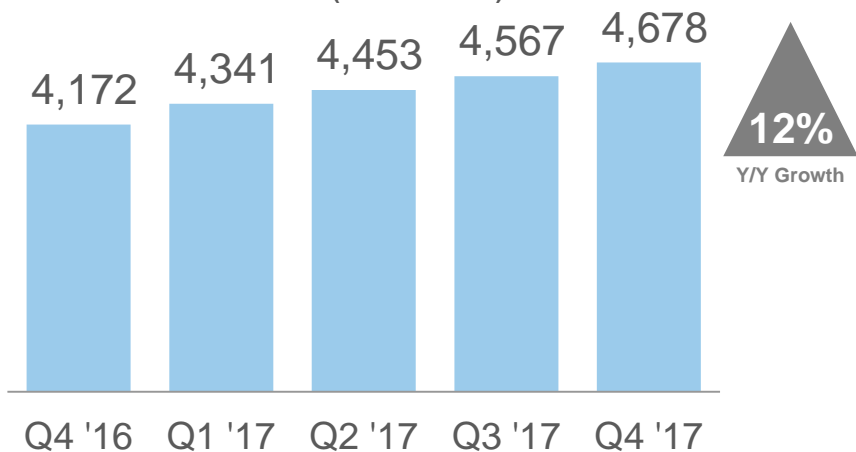


Service revenue increased 25% Y/Y to a record \$45 million

Total revenue increased 28% Y/Y, to \$66 million

ATG Aircraft Online

(End of Period)

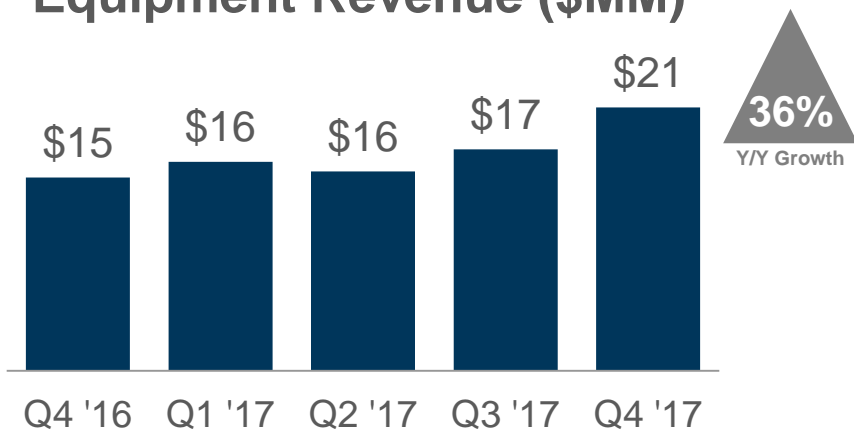


ATG aircraft online increased 12% Y/Y, to over 4,600

ATG Service ARPU increased 13% Y/Y, to over \$2,900 per month

BA: Strong AVANCE platform adoption

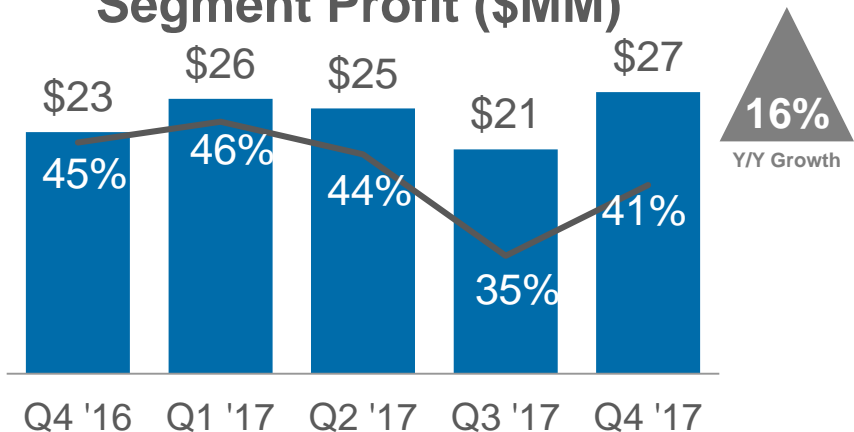
Equipment Revenue (\$MM)



L5 shipments drove 36% growth in equipment revenue

- ATG units shipped up 31% to 235
- 108 L5 units shipped in Q4 '17

Segment Profit (\$MM)



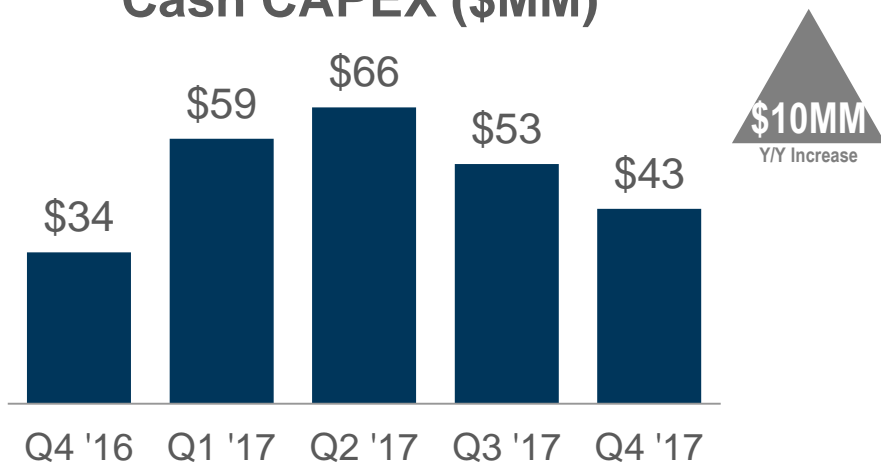
Segment profit increased 16% Y/Y, to \$27 million

- Profit margin improved sequentially due to charges recorded in Q3

■ Segment Profit — Segment Profit Margin

Investing in rapid 2Ku installations

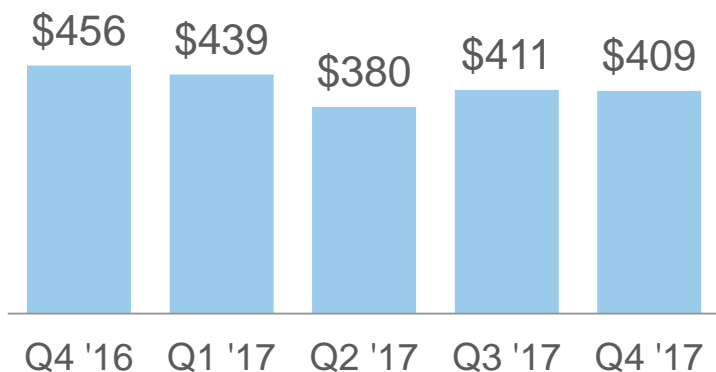
Cash CAPEX (\$MM)



Cash CAPEX Y/Y increase reflects 2Ku installations

- ~70% of Cash CAPEX related to airborne investment
- Expected co-investment in airborne equipment to decline to less than \$200 thousand per aircraft for 2018 & 2019

Cash, Cash Equivalents & Short-term Investments (\$MM)



Cash, Cash Equivalents & Short-term investments of \$409 million

- Targeting positive free cash flow in 2019 and for full year 2020

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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2017 Full Year Highlights



Met or exceeded all major full-year 2017 guidance:

		<u>2017 Guidance</u>
 Revenue	\$699 million	\$670 - \$695 million
 Adjusted EBITDA ¹	\$ 63 million	\$60 - \$75 million
 Cash CAPEX	\$221 million	\$230 - \$260 million
 2Ku installations	473 installs	450 - 550 installs

(1) Adjusted EBITDA excludes the \$4.5M in charges related to write-downs of legacy product lines and the retirement of Gogo test aircraft we discussed on our Q3 earnings call.
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Adoption of Revenue Recognition Standard 606:

- No impact to cash flow
- Record higher equipment revenues in the current period for commercial agreements under the airline directed model
- Supplemental material on the Gogo IR website

2018 Guidance



\$ in millions

	606 Revenue Standard	605 Revenue Standard	Y/Y Growth under 605 Standard
Total Revenue	\$865 - \$935	\$750 - \$790	7% - 13%
CA-NA Revenue	\$445 - \$485	\$380 - \$415	(5%) - 4%
Equipment Revenue	~20%		
CA-ROW Revenue	\$125 - \$165	\$75 - \$90	30% - 56%
Equipment Revenue	~50%		
BA Revenue	\$285 - \$295	\$285 - \$295	18% - 23%
Adjusted EBITDA	\$75 - \$100	\$65 - \$90	11% - 54%
Impact of switch to airline-directed model		+\$15	

Adjusted EBITDA is a non-GAAP measure. We are not able to provide a reconciliation for the forecasted range of Adjusted EBITDA for 2018 due to variability in the timing of aircraft installations and de-installations impacting depreciation expense and amortization of deferred airborne leasing proceeds.

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Increase in 2Ku aircraft online	550 - 650
Increase in CA-ROW 2Ku aircraft online	~300

\$ in millions

Cash CAPEX	\$110 - \$130
Related to airborne equipment	~35%

Inventory purchases related to airline-directed installations	\$15 - \$30
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Q&A

Appendix

Gogo installed and awarded aircraft as of 12/31/2017



Aircraft Online	CA-NA	CA-ROW	Total
ATG Aircraft Online	827	-	827
ATG-4 Aircraft Online	1,597	-	1,597
Ku Aircraft Online	-	253	253
2Ku Aircraft Online	416	138	554
Total Aircraft Online	2,840	391	3,231

2Ku Aircraft Installed & Awarded But Not Yet Installed	CA-NA	CA-ROW	Total
2Ku aircraft installed	421	146	567
2Ku aircraft awarded but not yet installed, aircraft conversions	590	-	590
2Ku aircraft awarded but not yet installed, new aircraft	75	770	845
Total 2Ku aircraft installed and awarded not yet installed	1,086	916	2,000+

Awarded but not yet installed figures are approximate

Note: Under the Unified Agreement with American Airlines, the airline has the option to terminate our service, and we expect it to exercise such option, on approximately 550 mainline aircraft on which our ATG/ATG-4 service is provided. We currently expect more than 400 such aircraft to be deinstalled in 2018 and early 2019.

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Adjusted EBITDA reconciliation (\$MM)

	2016 Q1	2016 Q3	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Net Income	(24)	(40)	(33)	(27)	(41)	(44)	(45)	(41)
<i>Interest Income</i>	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)
<i>Interest Expense</i>	16	18	25	25	27	27	28	30
<i>Income Tax Provision (Benefit)</i>	–	–	–	–	–	–	–	(3)
<i>Depreciation & Amortization</i>	24	25	27	30	30	31	36	49
EBITDA	17	2	18	27	16	13	18	34
<i>Stock-based Compensation Expense</i>	4	4	5	5	4	5	5	5
<i>Amortization of Deferred Airborne Lease Incentives</i>	(6)	(7)	(8)	(9)	(9)	(9)	(10)	(14)
Loss on Extinguishment of Debt	–	15	–	–	–	–	–	–
<i>Adjustment of deferred financing costs</i>	(1)	–	–	–	–	–	–	–
Adjusted EBITDA	14	14	15	23	11	10	13	25



Cash CAPEX reconciliation (\$MM)

	2016 Q1	2016 Q3	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Purchases of Property and Equipment	(31)	(40)	(36)	(41)	(64)	(65)	(62)	(62)
Acquisition of Intangible Assets (Capitalized Software)	(6)	(8)	(8)	(7)	(8)	(9)	(7)	(4)
Consolidated Capital Expenditures	(37)	(48)	(44)	(48)	(72)	(74)	(68)	(66)
Change in Deferred Airborne Lease Incentives	8	1	0	6	4	(0)	5	9
Amortization of Deferred Airborne Lease Incentives	6	7	8	9	9	9	10	14
Cash CAPEX	(24)	(40)	(36)	(34)	(59)	(66)	(53)	(43)