



1st Quarter 2017 Earnings Results

Michael Small – Chief Executive Officer

John Wade – Chief Operating Officer

Barry Rowan – Incoming Chief Financial Officer

May 4, 2017

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 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.

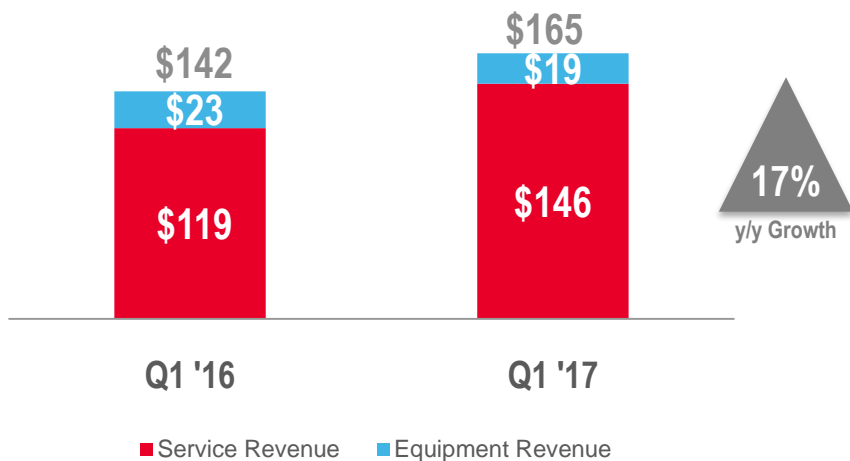
Note to Certain Operating and Financial Data

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 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 START TO 2017

Q1 Total Revenue (\$MM)



Q1 '17 Service Revenue Growth (y/y)

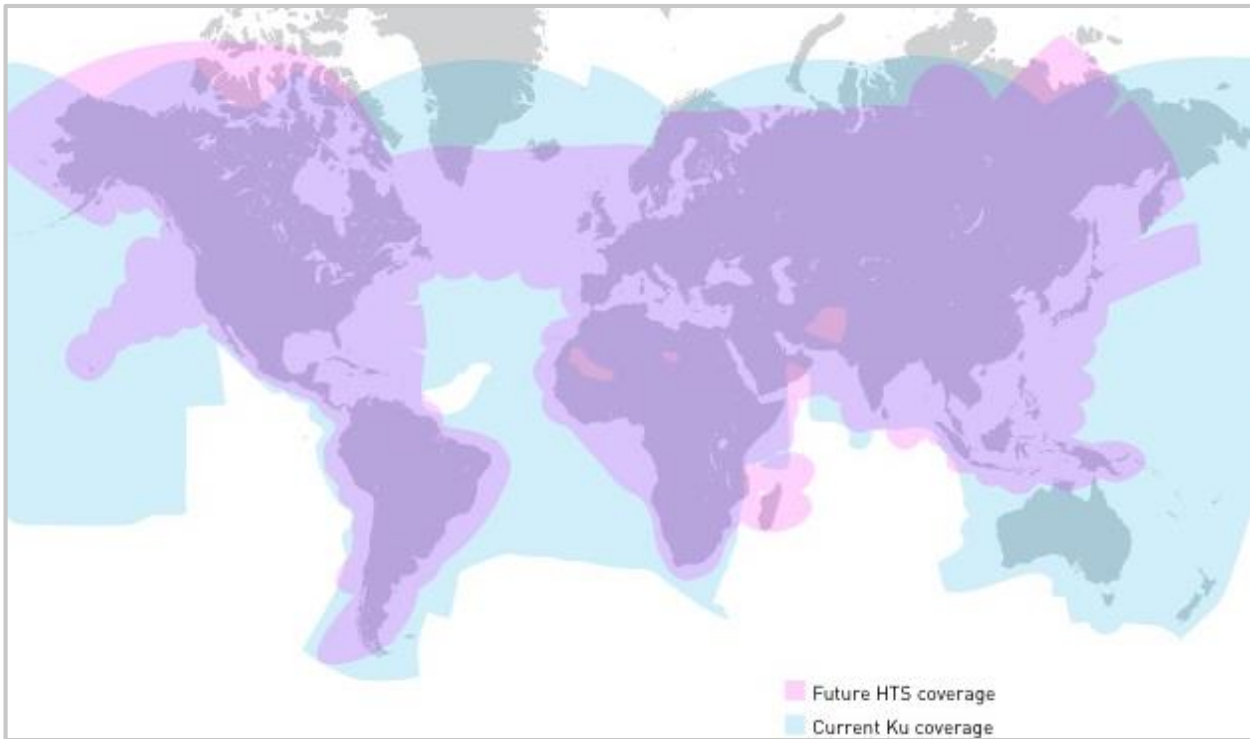
CA-NA	16%
BA	30%
CA-ROW	104%

Overall revenue up 17% y/y with strong service revenue growth across all segments

Virgin Australia selected 2Ku – industry leading performance on its first installed aircraft

Robust sales pipeline

WINNING STRATEGY FOR SATELLITE CAPACITY



Ample capacity – now and for the foreseeable future

Lowest bandwidth cost – superior antenna, higher utilization, benefits from innovation

New agreement with SES to serve flights to Hawaii, Alaska and over the Pacific

SETTING THE NEW INDUSTRY STANDARD

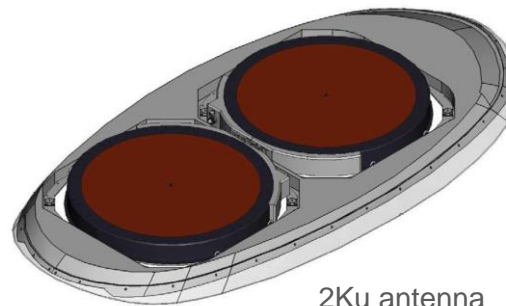


High speed, everywhere, all the time

15 Mbps+
per passenger

98%+
coverage of
global flight hours

98%+
service
availability



2Ku antenna

2Ku delivers industry-leading performance today

Ongoing performance improvements with new modem and HTS satellites

SIGNIFICANT PROGRESS WITH OEMS

- ✓ Signed agreement with Airbus to offer 2Ku OEM installs (A320, A330 and A380 aircraft)
- ✓ First A350 to be installed this year – other Airbus installs expected to begin in 2018
- ✓ Bombardier to install 2Ku for Delta

ON TRACK WITH INSTALLS & PRODUCT LAUNCHES

2Ku Installations On Track

- ✓ More than 170 2Ku aircraft installed for 8 different airlines*
- ✓ Expect significant 2Ku install ramp after Labor Day
- ✓ Doubled 2Ku STC coverage to 2/3 of the world's applicable CA aircraft
- ✓ Reaffirm annual guidance of 450-550 2Ku installations

ATG Product Launches On Track

- ✓ Gogo Biz 4G commercial launch in Q2 2017
- ✓ Next gen ATG achieves 100+ Mbps in lab
- ✓ Next gen ATG deployment in 2018

INTRODUCING NEW CFO

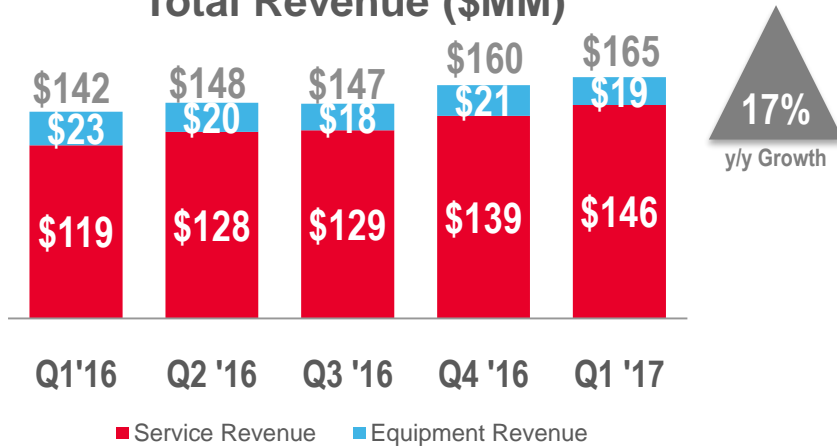


- ✓ Barry Rowan joined as EVP, Finance and will become Chief Financial Officer following the filing of the Q1 '17 10-Q
- ✓ Previously CFO at multiple public companies including Vonage and Nextel Partners
- ✓ Long track record of success in achieving significant value creation

Q1'17 STRONG FINANCIAL PERFORMANCE

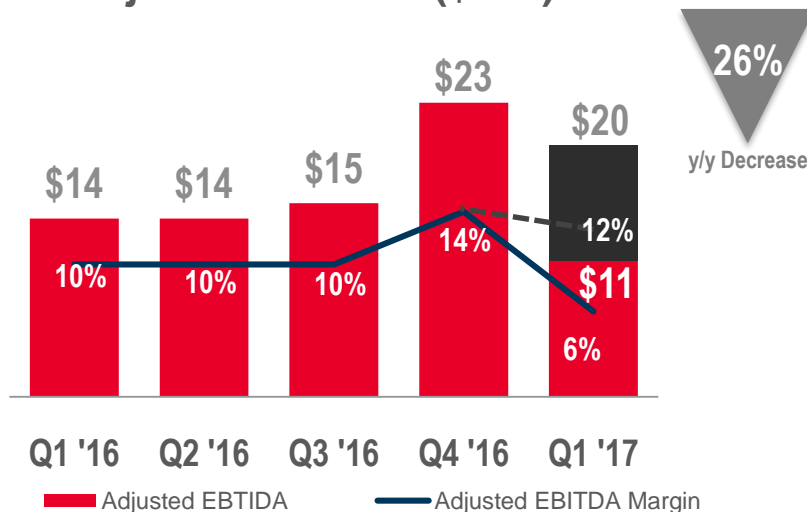


Total Revenue (\$MM)



- Q1'17 revenue up 17% y/y
- Service revenue up 23% y/y

Adjusted EBITDA (\$MM)



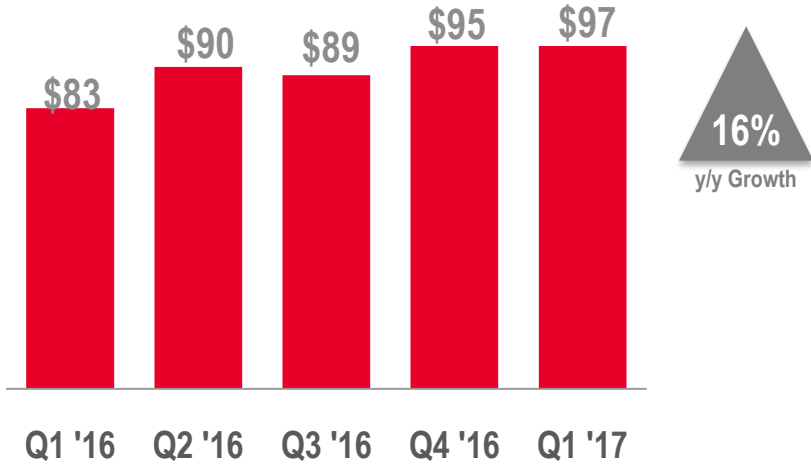
- Q1 '17 Adjusted EBITDA¹ decreased to \$11 million including \$9.4 million of spend on next gen ATG
- Excluding next gen ATG spend, adjusted EBITDA margin would have been ~12%

Note: Minor differences exist due to rounding. Black bar represents \$9.4 million for next generation ATG milestone spend
 (1) Adjusted EBITDA is a non-GAAP measure. See Appendix for a reconciliation to the comparable GAAP measure.

CA-NA – CONTINUED SERVICE REVENUE GROWTH

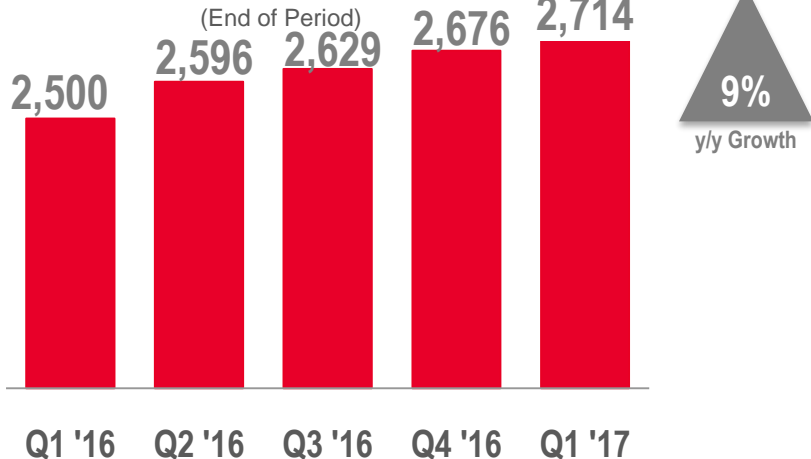


Service Revenue (\$MM)



- Service revenue driven by ARPA growth and increases in aircraft online

Aircraft Online

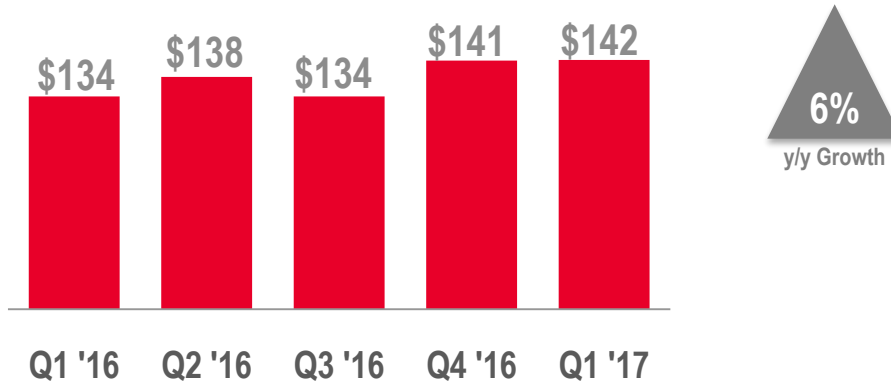


- 38 net aircraft installed in Q1 '17, ending the quarter with 2,714 aircraft online

CA-NA – ARPA STRENGTHENS IN QUARTER

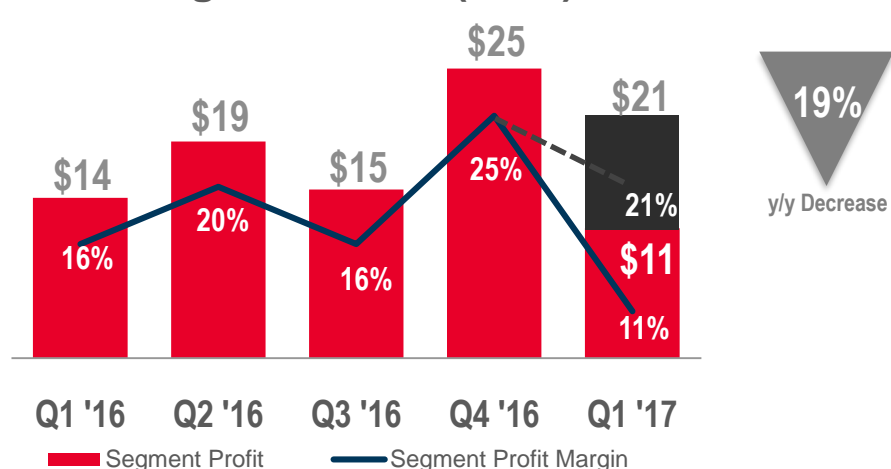


Annualized ARPA (\$M)



- Annualized ARPA of \$142K, up 6% y/y
 - Driven by strong entertainment revenue growth and the multi-payer strategy
 - Expect ARPA growth to continue throughout 2017

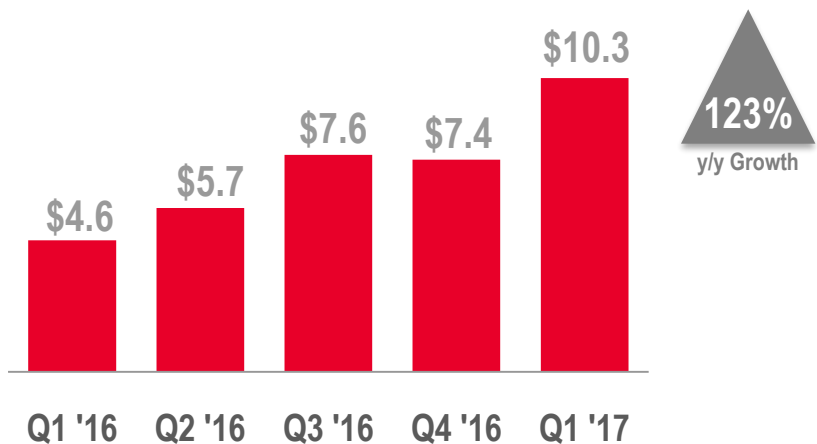
Segment Profit (\$MM)



- Segment profit of \$11 million
 - Segment profit and margin impacted by \$9.4 million spend for next gen ATG development
 - Excluding this expense, segment profit margin would have been ~21%

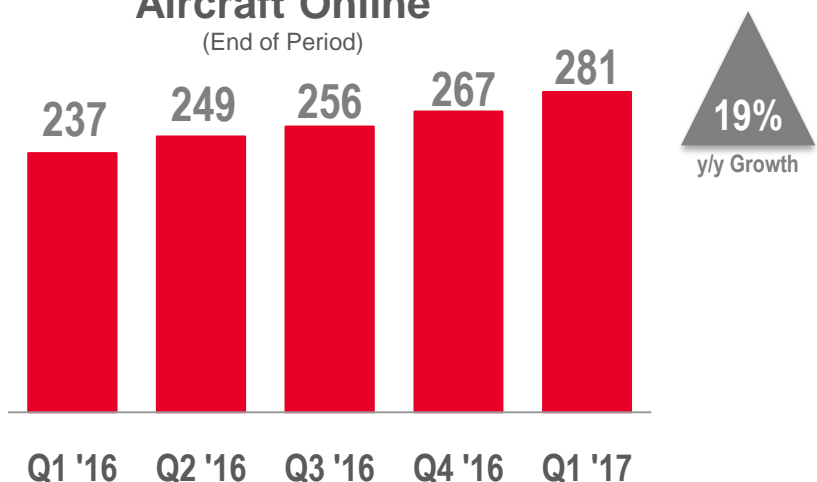
CA-ROW – ROBUST REVENUE GROWTH

Total Revenue (\$MM)



- Revenue of \$10.3 million, up 123% from Q1 '16
 - Aircraft online growth of 19%
 - ARPA growth of 45%

Aircraft Online
(End of Period)

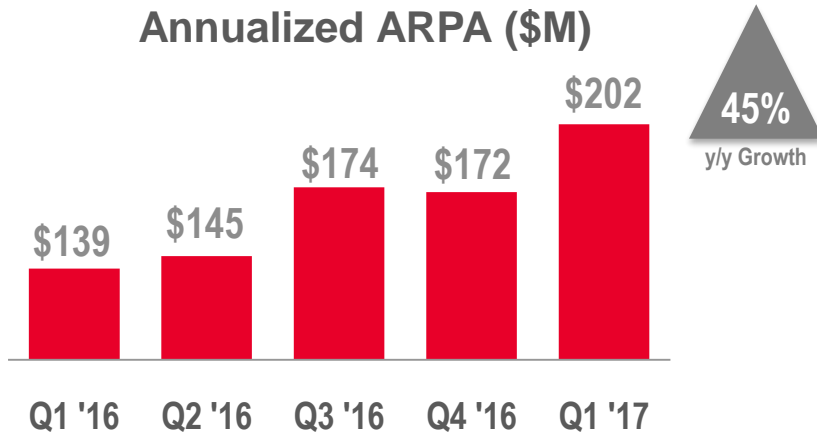


- 281 aircraft online, up 44 aircraft y/y
- 2Ku awarded but not yet installed aircraft is approximately 650 at 3/31/2017, including the recent Virgin Australia award

CA-ROW – ARPA CONTINUES STRONG GROWTH

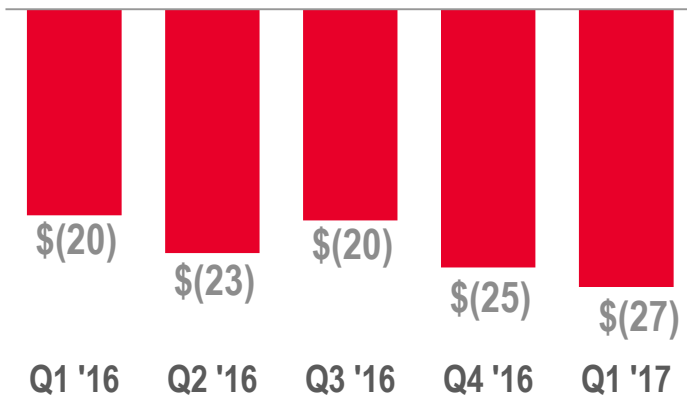


Annualized ARPA (\$M)



- Annualized ARPA grew 45% to \$202K
 - Driven by higher airline paid and third party paid usage

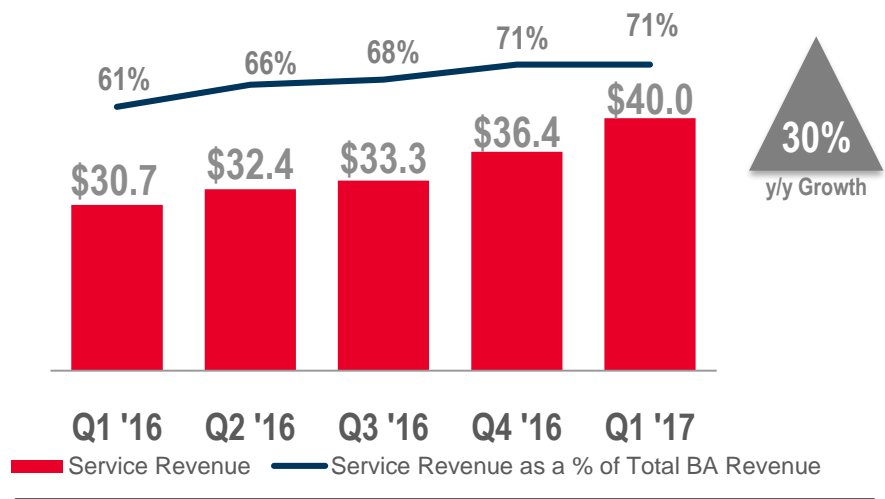
Segment Loss (\$MM)



- Segment loss increased to \$27 million
 - Driven by increased launch costs for new airline partners and higher 2Ku ED&D expenses

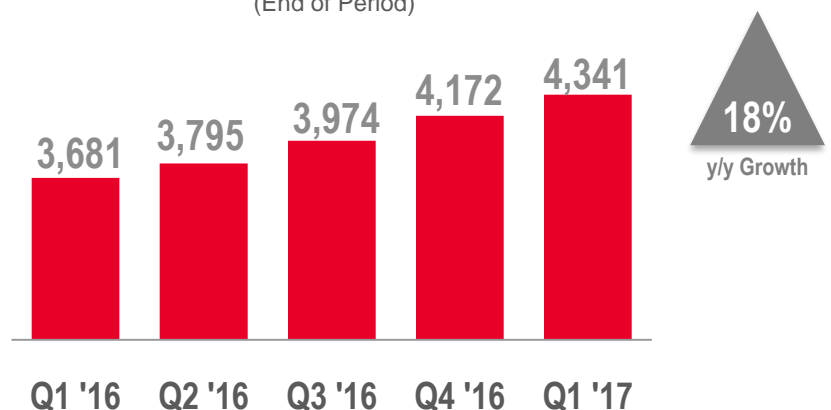
GROWTH IN BA SERVICE REVENUE CONTINUES

Service Revenue (\$MM)



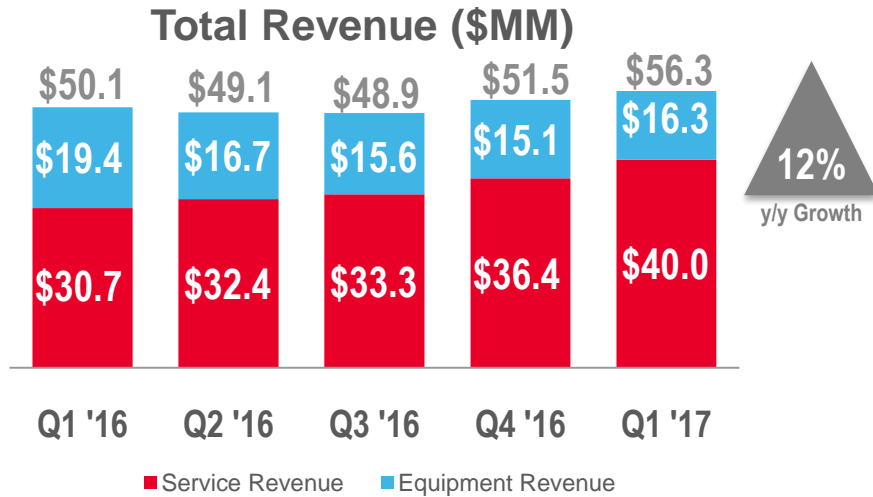
- Service revenue increased 30% y/y to \$40 million

ATG Aircraft Online (End of Period)

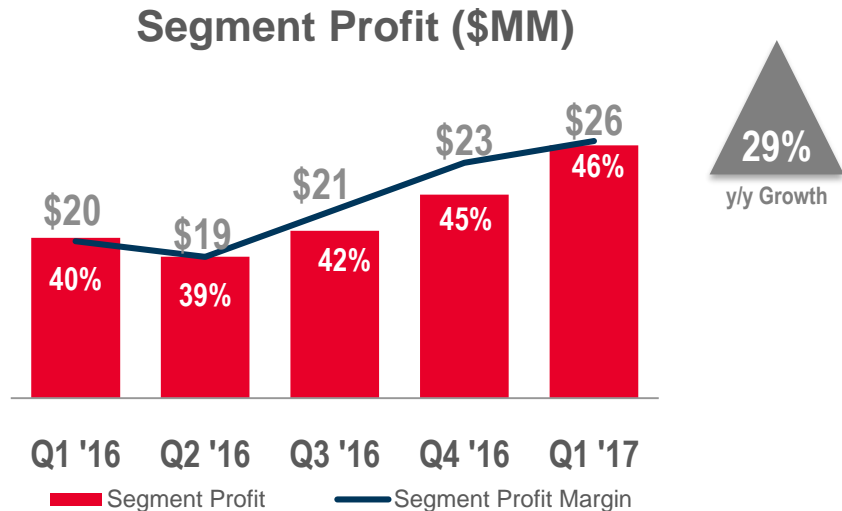


- ATG aircraft online increased 18% y/y, to over 4,300
- ATG Service ARPU increased 12% y/y, to nearly \$2,800 per month

SERVICE REVENUE DRIVES STRONG SEGMENT MARGIN GROWTH

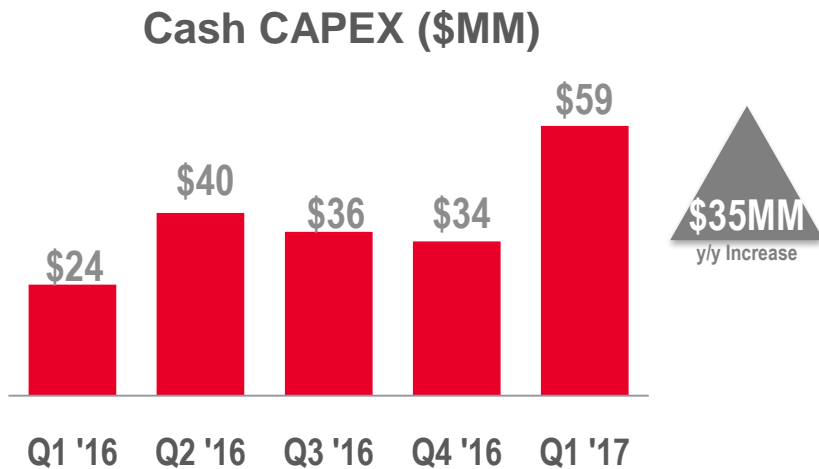


- BA equipment revenue decreased to \$16 million
- Deferred equipment revenue will be recognized starting mid-year



- Segment profit increased 29% y/y, to \$26 million
- Segment profit margin expanded to 46%

SUCCESS-BASED CASH CAPEX TO DRIVE GROWTH



- Q1 '17 y/y changes in Cash CAPEX
 - Due primarily to increased airborne equipment purchases for 2Ku installations
- Q1 has seasonally high working capital impact driven by interest payments
- Cash used in the quarter is consistent with our full year expectations

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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Q1 KEY TAKEAWAYS



- ✓ Strong financial performance in Q1
- ✓ Reaffirming 2017 and long-term guidance

Q&A



Appendix



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 ¹	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)

	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1
Net Income	(24)	(40)	(33)	(27)	(41)
Interest Income	(0)	(0)	(1)	(1)	(1)
Interest Expense	16	18	25	25	27
Depreciation & Amortization	24	25	27	30	30
EBITDA	17	2	18	27	16
Stock-based Compensation Expense	4	4	5	5	4
Amortization of Deferred Airborne Lease Incentives	(6)	(7)	(8)	(9)	(9)
Loss on Extinguishment of Debt	–	15	–	–	–
Adjustment of deferred financing costs	(1)	–	–	–	–
Adjusted EBITDA	14	14	15	23	11



CASH CAPEX RECONCILIATION (\$MM)

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