



1st Quarter 2015 Earnings Results

Michael Small – Chief Executive Officer
Norman Smagley – Chief Financial Officer

May 7, 2015



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 disclosure contained under the headings “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in the Company’s Annual Report on Form 10-K filed with the SEC on February 27, 2015.

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.

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.

Q1 2015 EARNINGS CALL OBJECTIVES

- ✓ Perspective on the in-flight connectivity industry
- ✓ Why Gogo wins
- ✓ Update on the quarter

GLOBAL AERO-COMMUNICATIONS SERVICE PROVIDER REQUIREMENTS



- ✓ Global scale is essential
- ✓ Most bandwidth at the lowest cost
- ✓ Invest in R&D and network engineering capabilities

GOGO CHECKS ALL THE BOXES



- ✓ We have the largest scale
- ✓ We are global
- ✓ We have industry leading R&D and network capabilities
- ✓ We have nearly 1,000 smart, specialized, and passionate employees around the world

**GOGO DELIVERS HIGHLY RELIABLE AND SOPHISTICATED
IN-FLIGHT CONNECTIVITY SOLUTIONS**

GOGO LEADS TECHNOLOGY INNOVATION



- ✓ 1st generation – ATG / ATG4
- ✓ 2nd generation – 2Ku
- ✓ 3rd generation – in progress...

GOGO IS PLAYING TO WIN

DELIVERING ON 2015 PRIORITIES

✓ Add new aircraft

- Expanded partnership with NetJets
- Expanded partnership with Delta
- Installed 300+ broadband aircraft
- Announced ATG8000 and ATG1000 for BA

✓ Increase bandwidth to aircraft

- 730 ATG4 equipped aircraft⁽¹⁾
- Nearly 50% of data traffic goes through ATG4 equipped aircraft
- 2Ku will bring more capacity starting in 2016

✓ Hit the numbers

- Record revenue of \$116M, up 21% Y/Y
- Service revenue of \$95M, up 32% Y/Y
- Combined segment profit margin for CA-NA and BA of 23%
- Issued \$362M in convertible notes

(1) As of March 31, 2015.

WE ARE PLAYING TO WIN



- ✓ IFC industry is large and global
- ✓ Gogo has industry leading R&D capabilities
- ✓ Gogo has scale and experience
- ✓ Gogo has a scalable business model

**EXECUTING ON THE WORLD'S FASTEST GLOBAL
COMMUNICATIONS INFRASTRUCTURE DEPLOYMENT YET**

Q1 2015 RECORD REVENUE & ADJUSTED EBITDA

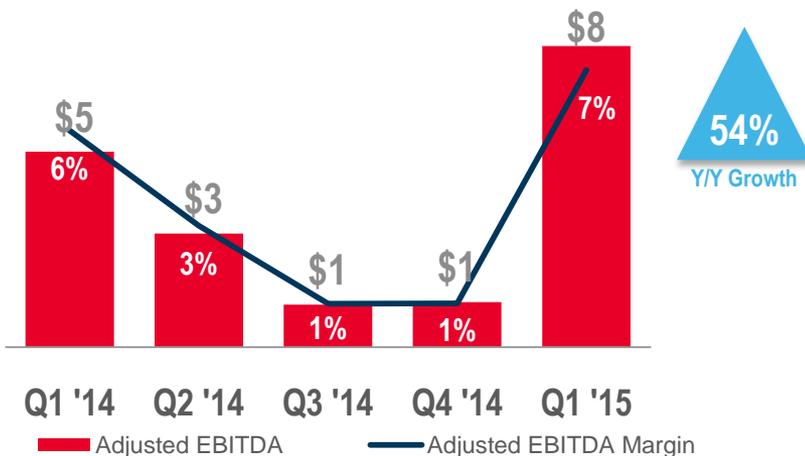


Total Revenue (\$MM)



Note: Minor differences exist due to rounding

Adjusted EBITDA (\$MM)



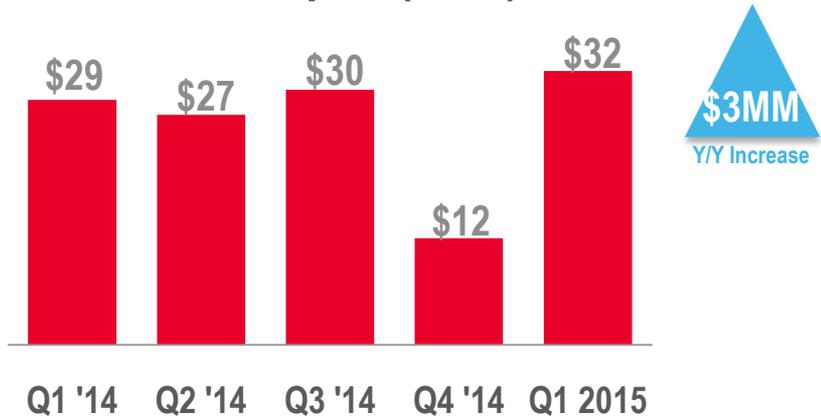
- Q1 2015 record revenue quarter:
 - Service revenue up 32% y/y
 - CA-NA service revenue up 28% y/y
 - BA service revenue up 38% y/y

- Q1 2015 Adjusted EBITDA margin of 7%

CONSOLIDATED CASH CAPEX & CASH



Cash CapEx (\$MM)



- Q1 '15 Y/Y changes in capital expenditures:

- ▲ CA facilities build out of \$6M
- ▲ Airborne equipment purchases
- ▼ ATG network
- ▼ Airborne equipment proceeds

Cash Balance (\$MM)



- Convertible Debt Proceeds Net of Issuance Costs and the Prepaid Forward Transactions
- Cash

- Strong cash position following \$362M convertible notes offering

All figures as of 3/31/2015
 Note: Minor differences exist due to rounding. Cash balance is end of period.

CA-NA STRONG REVENUE & ARPA GROWTH



Service Revenue (\$MM)

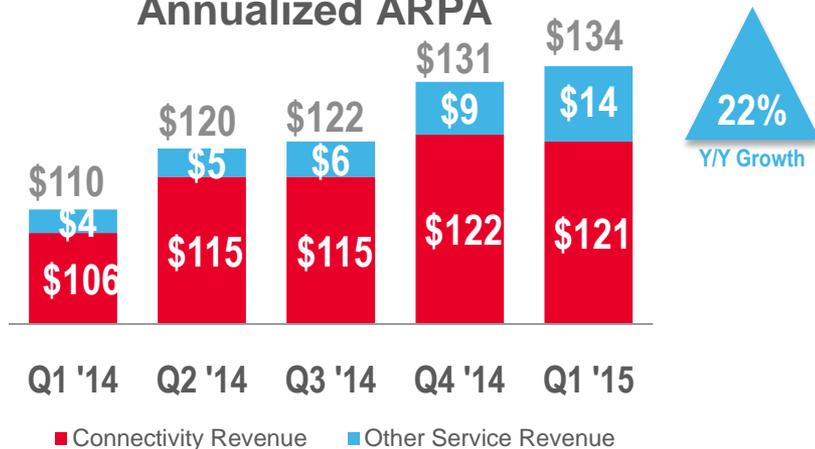


- Service revenue driven by:
 - 22% y/y growth in ARPA
 - 7% y/y growth in aircraft online

- Strong ARPA growth continues:

- Changes in pricing and product mix drove ARPS increase
- In-flight wireless entertainment revenue continues to grow
- Connectivity take rate increased excluding impact of sponsorships

Annualized ARPA



CA-NA AIRCRAFT ONLINE & SEGMENT PROFIT GROWTH



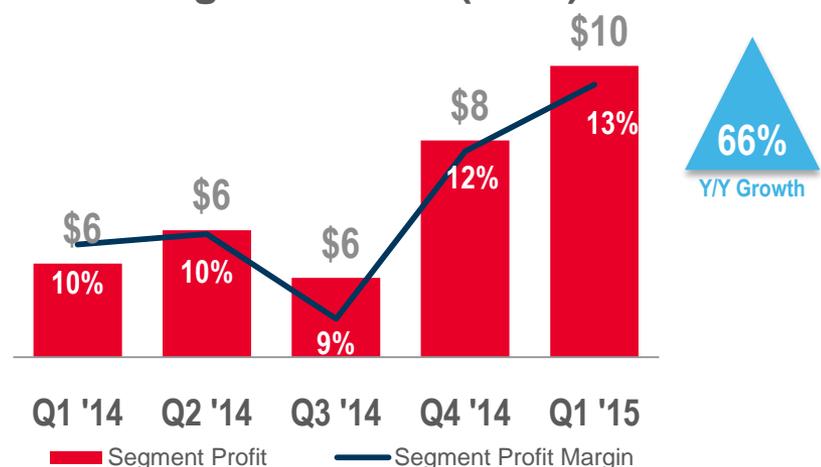
Aircraft Online

(End of Period)



- 102 aircraft online added in Q1 2015

Segment Profit (\$MM)

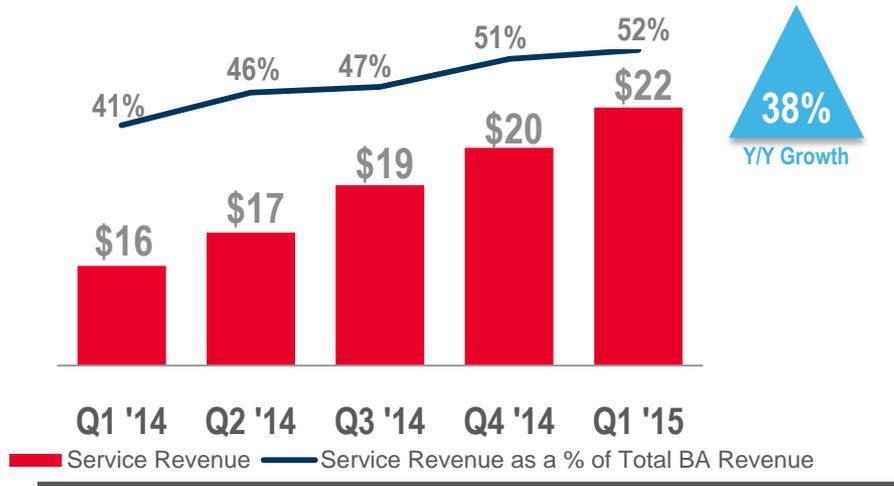


- Segment profit margin expands to 13%
- Strong leverage of network infrastructure

BA SERVICE REVENUE & ATG AIRCRAFT ONLINE GROWTH

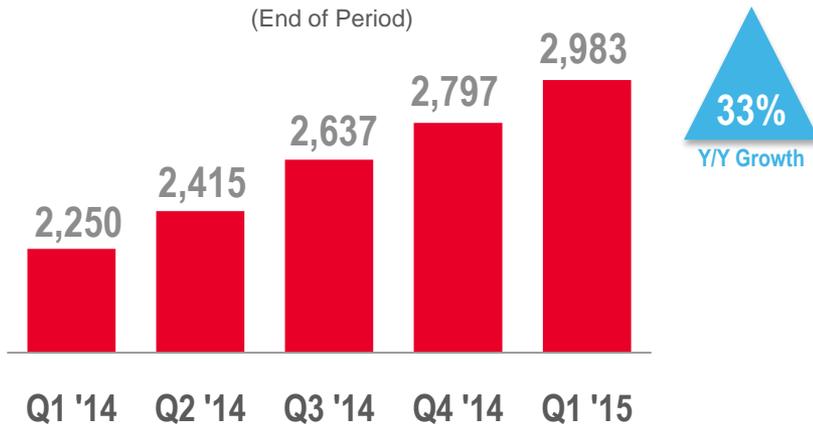


Service Revenue (\$MM)



- Strong growth in ATG aircraft online and ATG ARPU
- NetJets expands long-standing partnership
- Announced ATG 8000 & ATG1000

ATG Aircraft Online
(End of Period)



BA REVENUE & SEGMENT PROFIT GROWTH



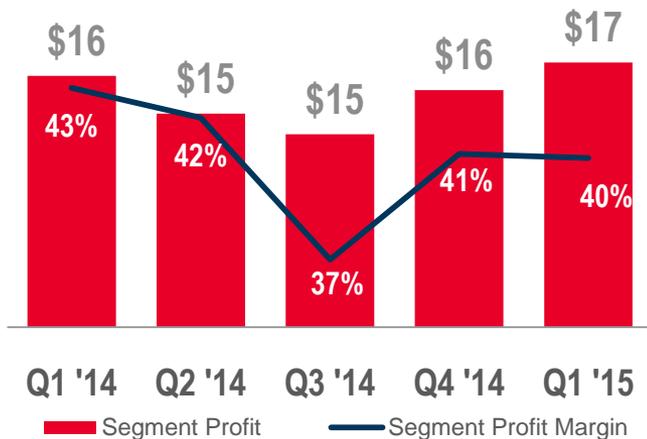
Total Revenue (\$MM)



■ Service Revenue ■ Equipment Revenue

Note: Minor differences exist due to rounding

Segment Profit (\$MM)



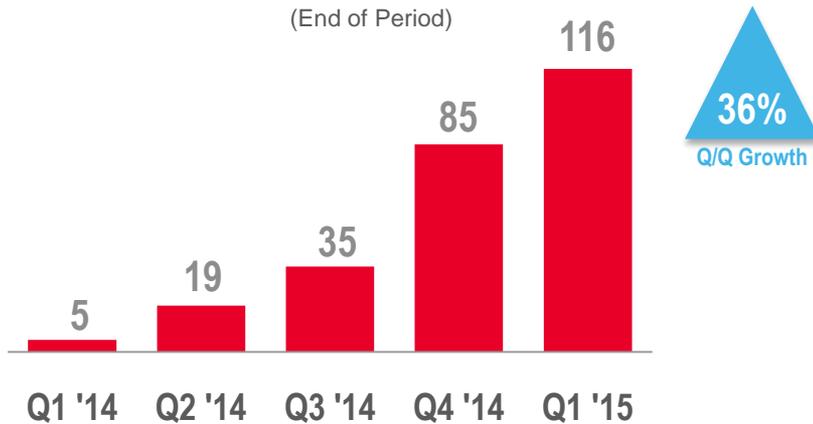
- Q1 2015 record revenue quarter:
 - Service revenue up 38% y/y
 - ATG aircraft online up 33% y/y
- Equipment revenue down Y/Y
 - Change in product mix
 - Normalized sales of Text & Talk
- Q1 2015 segment profit margin of 40%

FOCUS ON INTERNATIONAL EXPANSION



Satellite Aircraft Online

(End of Period)



CA-ROW Segment Loss (\$MM)



- 31 Ku aircraft installed in Q1 2015
- Revenue of \$1.4M impacted by:
 - Classification of certain CA-ROW transactions
 - Some aircraft flying CA-NA routes
 - Adjusting for the above activities revenue would have been approx. \$2.6M
- Y/Y increase in segment loss includes higher SG&A and satellite costs
- Decrease in segment loss from Q4 2014 impacted by timing of STC milestones and related design work

2015 GUIDANCE



Revenue	\$485 - \$505 million
CA-NA	\$300 - \$320 million
BA	\$170 - \$180 million
CA-ROW	\$10 - \$15 million
Adjusted EBITDA	\$15 - \$25 million
Cash CAPEX	\$100 - \$120 million

STRONG Q1 FINANCIAL PERFORMANCE



- ✓ Record revenue of \$116M, up 21% y/y
- ✓ Adjusted EBITDA of \$8.2M, up 54% y/y
- ✓ Strong cash position of \$400M

WELL POSITIONED TO ACHIEVE OUR GOALS

Q&A



Appendix



CONVERTIBLE NOTES DETAILS

Transaction Summary

- \$362 million aggregate principal amount of 3.75% Convertible Senior Notes issued in March 2015, due March 1, 2020; conversion price of \$23.85 per share.
- Conversion may occur prior to December 1, 2019 upon the occurrence of certain events or any time after December 1, 2019.
- In conjunction with the convertible notes offering, the company entered into forward stock purchase transactions for approximately \$140 million, representing 7.2 million shares to settle on or around March 1, 2020.

Accounting

- Cash increased by \$212 million, net of approximately \$140 million in forward stock purchase transactions and \$10.4 million in issuance costs.
- Convertible allocation to long-term debt at the time of issuance is \$262 million and additional paid in capital is \$100 million.
- Long-term debt portion of convertible is booked on the balance sheet at fair value and is accreted to full principal amount of convertible notes outstanding over life of notes. The accretion expense is recognized on the income statement as non-cash interest.

EPS Impact

- “If converted” method is used to account for dilution caused by convertible notes.
- Approximately 7.2 shares of common stock that will be effectively repurchased through the forward stock purchase transactions are treated as retired shares for basic and diluted EPS purposes although they remain legally outstanding.

ADJUSTED EBITDA RECONCILIATION (\$MM)

	2009	2010	2011	2012	2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1
Net Income	(142)	(140)	(18)	(96)	(146)	(17)	(19)	(25)	(24)	(20)
Interest Income	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Interest Expense	30	–	1	9	29	7	7	9	9	10
Income Tax Provision	–	3	1	1	1	–	–	–	–	–
Depreciation & Amortization	22	31	33	37	56	16	15	17	17	19
EBITDA	(91)	(106)	16	(49)	(60)	6	4	2	2	9
Fair Value Derivative Adjustments	–	33	(59)	(10)	36	–	–	–	–	–
Class A and Class B Senior Convertible Preferred Stock Return	–	18	31	52	29	–	–	–	–	–
Accretion of Preferred Stock	–	9	10	10	5	–	–	–	–	–
Stock-based Compensation Expense	1	2	2	4	6	2	2	3	3	3
Loss on Extinguishment of Debt	2	–	–	–	–	–	–	–	–	–
Write Off of Deferred Equity Financing Costs	–	–	–	5	–	–	–	–	–	–
Amortization of Deferred Airborne Lease Incentives	–	(1)	(1)	(4)	(8)	(3)	(3)	(4)	(4)	(4)
Adjusted EBITDA	(89)	(45)	(1)	9	8	5	3	1	1	8

CASH CAPEX RECONCILIATION (\$MM)

	2009	2010	2011	2012	2013	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1
Purchases of Property and Equipment	(69)	(33)	(33)	(67)	(105)	(32)	(28)	(35)	(37)	(53)
Acquisition of Intangible Assets (Capitalized Software)	(8)	(7)	(10)	(12)	(16)	(4)	(5)	(5)	(3)	(4)
Consolidated Capital Expenditures	(77)	(40)	(43)	(79)	(121)	(36)	(33)	(41)	(40)	(57)
Change in Deferred Airborne Lease Incentives	–	9	11	18	9	5	3	5	17	9
Amortization of Deferred Airborne Lease Incentives	–	1	1	4	8	3	3	3	4	4
Landlord Incentives	–	–	–	–	–	–	–	2	7	12
Cash CapEx	(77)	(30)	(31)	(58)	(104)	(29)	(27)	(30)	(12)	(32)