



# Investor Presentation

December 2014

**Michael Small**

President and CEO



# DISCLAIMER



## Safe Harbor Statement

This presentation contains “forward-looking statements” 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 heading “Risk Factors” in the Company’s Annual Report on Form 10-K filed with the SEC on March 14, 2014 and “Special Note Regarding Forward-Looking Statements” in the Company’s Quarterly Report on Form 10-Q filed with the SEC on November 10, 2014.

## 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 are not intended to be, and should not be, considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. 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.

Advance aviation by connecting every aircraft with the most trusted communications services on and above our planet



# WHY INVEST IN GOGO



Gogo is a leading *aero communications service provider* for the *global aviation* industry.

**LARGE GROWTH OPPORTUNITY**

**LEADING POSITION**

**EXPERIENCE & SCALE**

**HIGH BARRIERS TO ENTRY**

**ATTRACTIVE ECONOMICS**





# 50 BILLION THINGS ARE GETTING CONNECTED<sup>(1)</sup>



Monitoring to detect dangerous patterns in land conditions.

Patient biometrics sent directly to doctors.



Radios embedded in protected trees track illegal deforestation.

Tractors feed data back to the manufacturer.

Detection of rubbish levels to optimize trash collection routes.

(1) Cisco: <http://share.cisco.com/internet-of-things.html>  
©2014 Gogo Inc. and Affiliates. Proprietary & Confidential.

# CONNECTIVITY TRANSFORMS AVIATION



## Gogo connected aircraft

Airline connectivity

Cockpit connectivity<sup>(1)</sup>

Cabin crew connectivity<sup>(1)</sup>

Passenger inflight connectivity and wireless entertainment

Remote Diagnostics<sup>(1)</sup>

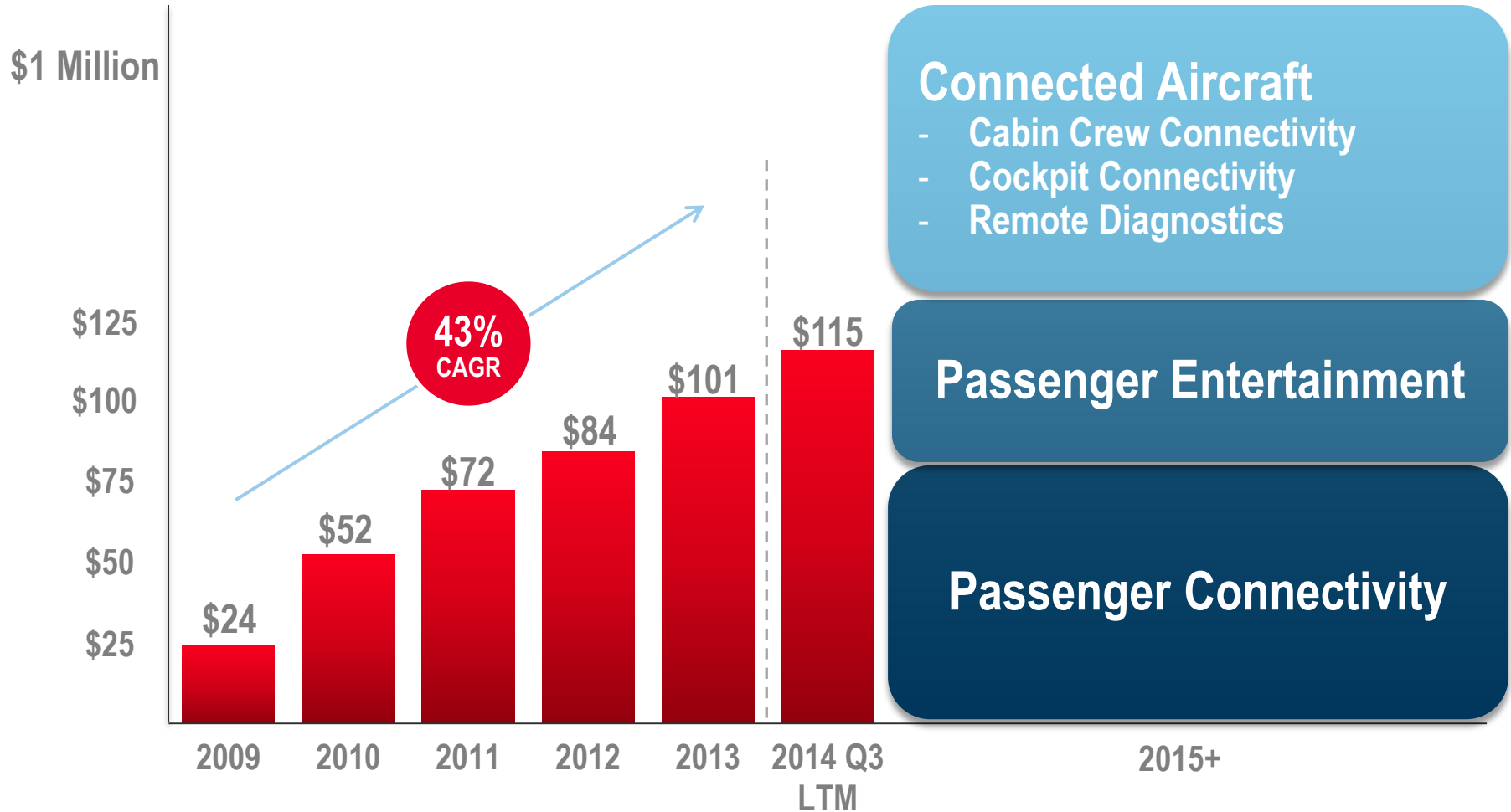


(1) Gogo currently provides cabin crew connectivity to certain airline partners. Gogo expects to offer cockpit connectivity and remote diagnostics capabilities in the future.

# PASSENGER CONNECTIVITY IS ONLY THE STARTING POINT



ARPA<sup>(1)</sup> in (\$000s)



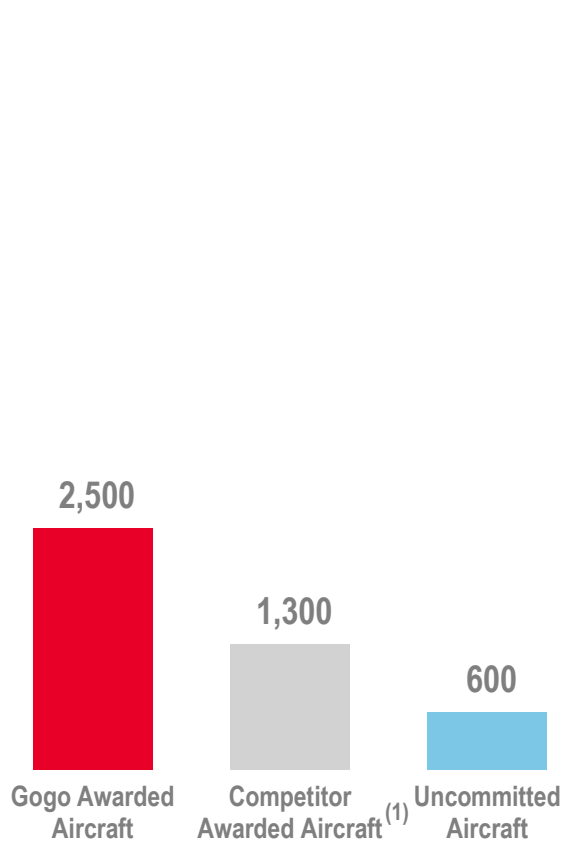
Average service revenue per aircraft online ("ARPA"). We define ARPA as the aggregate service revenue for the period divided by the number of months in the period, divided by the number of aircraft online during the period (expressed as an average of the month end figures for each month in such period).

©2014 Gogo Inc. and Affiliates. Proprietary & Confidential.

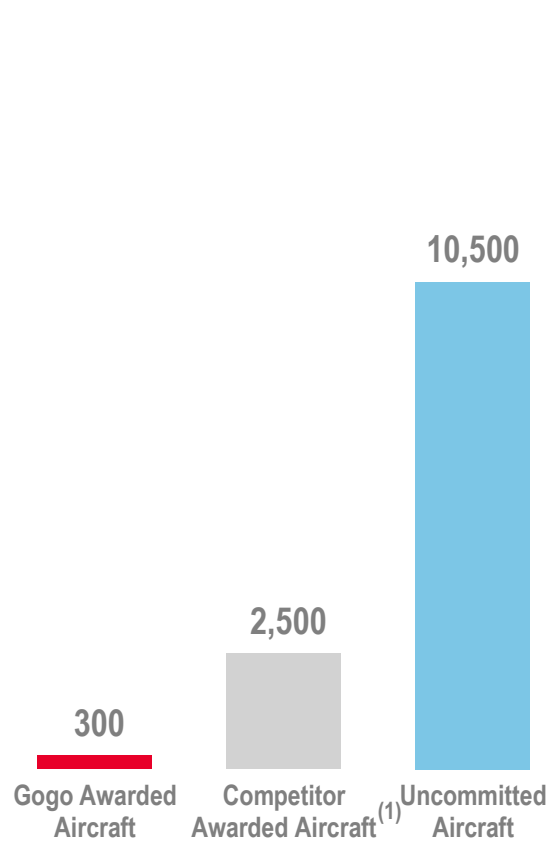
# LARGE MARKET OF GLOBAL AIRCRAFT TO CONNECT...



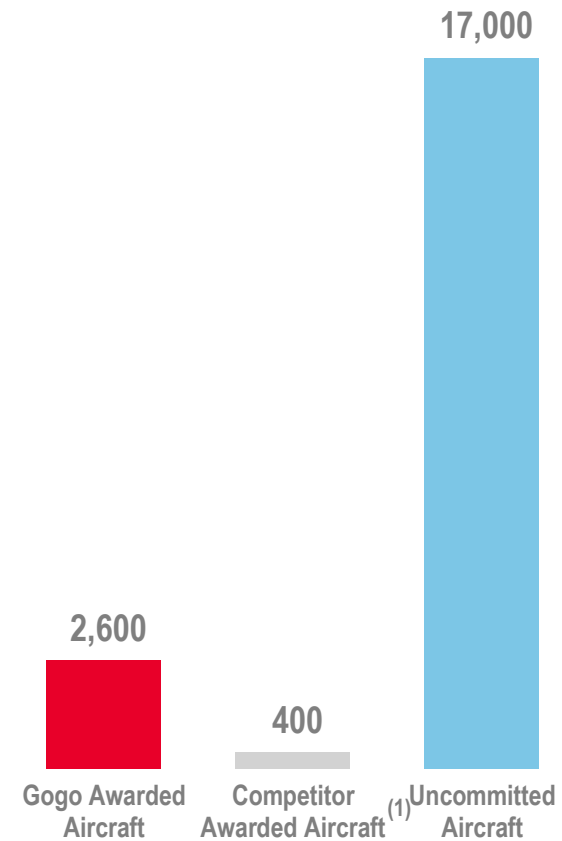
## Commercial Aviation North America



## Commercial Aviation Rest of World



## Business Aviation North America



(1) Based on management estimates, trade publications and other public sources of broadband connected aircraft as of 9/30/2014.





# MARKET & COMPANY OVERVIEW

# CONNECTED AIRCRAFT IS A LARGE GROWTH OPPORTUNITY

A faint, light gray globe of the Earth is centered in the background of the table, showing the Americas.

	<b>Aircraft</b>	<b>Amount Spent in 2013 (\$B)</b>		
<b>Commercial Aviation<sup>(1)</sup></b>	<b>17,000</b>	<b>\$710</b>	↑	<b>Up 5% from 2012</b>
<b>Business Aviation<sup>(2)</sup></b>	<b>27,000</b>	<b>\$23</b>	↑	<b>Up 24% from 2012</b>
<b>Total Aviation Industry</b>	<b>44,000</b>	<b>\$733</b>		

**AIRCRAFT ARE EXPECTED TO NEARLY DOUBLE IN THE NEXT 20 YEARS<sup>(3)</sup>**

(1) Commercial Aviation spend is based on air transport spend as reported by IATA in the mid-year 2014 report titled "Airline Industry Economic Performance".

(2) Business Aviation spend is based on aircraft billings from General Aviation Manufacturers Association 2013 Statistical Databook.

(3) Sources: Boeing Current Market Outlook 2013 – 2032, excludes: cargo aircraft JetNet iQ Report Q1 2014; General Aviation Manufacturers Association 2012 Statistical Databook; excludes rest of world turbo props.

# CONNECTING AIRCRAFT IS MORE VALUABLE THAN YOU THINK



## Connected home



0.97% of asset value per year



**\$1.0M ARPA**  
**\$17B–\$35B industry<sup>(1)</sup>**

## Connected car



0.71% of asset value per year



**\$0.7M ARPA**  
**\$12B–\$25B industry<sup>(1)</sup>**

## Connected aircraft



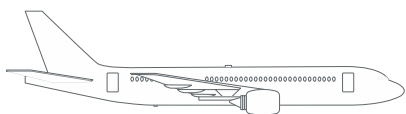
0.84% of asset value per year



**\$0.8M ARPA**  
**\$14B–\$30B industry<sup>(1)</sup>**

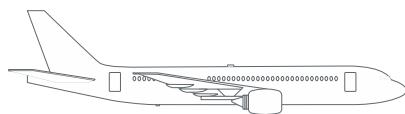
(1) Industry estimates were derived by taking the amount spent to provide connectivity to a home or automobile as a percentage of the average value of the asset. This analogue in conjunction with an assumed \$100M asset value for a commercial aircraft was used to arrive at ARPA.

# GOGO'S LARGE INSTALL BASE IS A SIGNIFICANT COMPETITIVE ADVANTAGE



**2,044**

**CA-NA  
Aircraft Online**



**35**

**CA-ROW  
Aircraft Online**



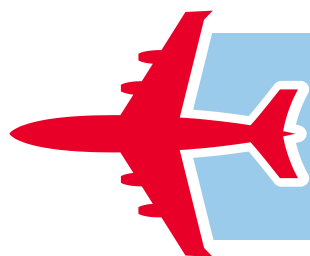
**2,637**

**BA - Broadband  
Aircraft Online**



**5,322**

**BA - Satellite  
Aircraft Online<sup>(1)</sup>**



Gogo Touches Over 20% Of The World's Aircraft

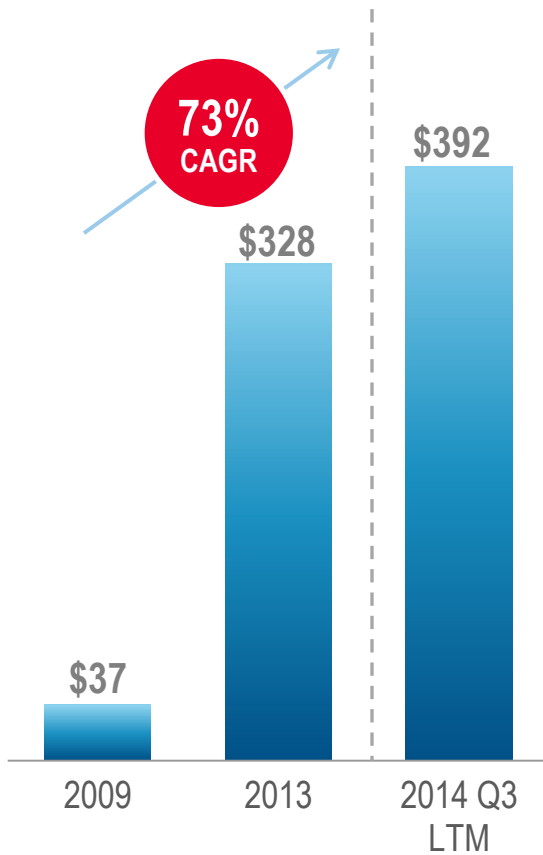
Aircraft Online as of 9/30/2014

(1) Satellite Aircraft Online includes 5,294 Iridium and 28 SwiftBroadband equipped aircraft.

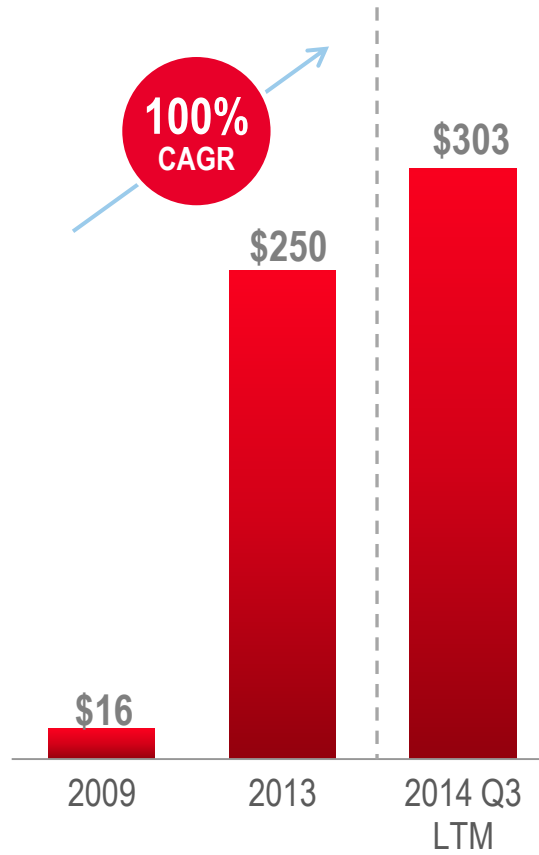
# STRONG EXECUTION



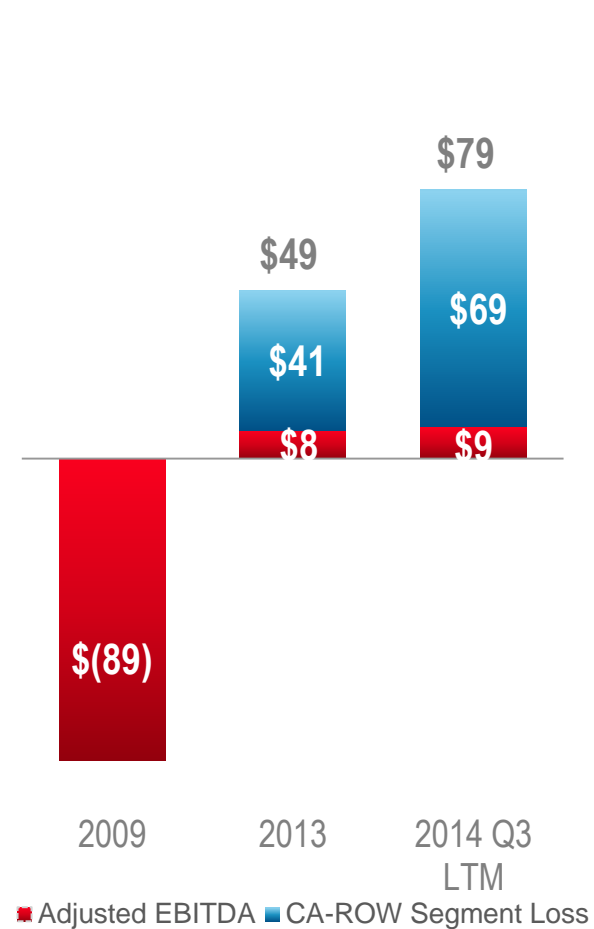
**Total Revenue**  
(\$MM)



**Service Revenue**  
(\$MM)



**Adjusted EBITDA<sup>(1)</sup>**  
(\$MM)



(1) Please see reconciliation of Adjusted EBITDA in appendix.  
©2014 Gogo Inc. and Affiliates. Proprietary & Confidential.

## Global Commercial Aviation

Gogo won **52%**<sup>(1)</sup> of all commercial aircraft awarded in 2014:

- ✓ United Airlines RJs
- ✓ Air Canada
- ✓ Aeromexico
- ✓ Vietnam Airlines
- ✓ Virgin Atlantic

## Business Aviation

Gogo installed 590 business aircraft with broadband connectivity in 2014 – nearly **100%**<sup>(2)</sup> of all BA broadband installed aircraft.

(1) Based on management estimates, trade publications and other public sources as of 11/30/14.

(2) Based on management estimates, trade publications and other public sources as of 9/30/14.

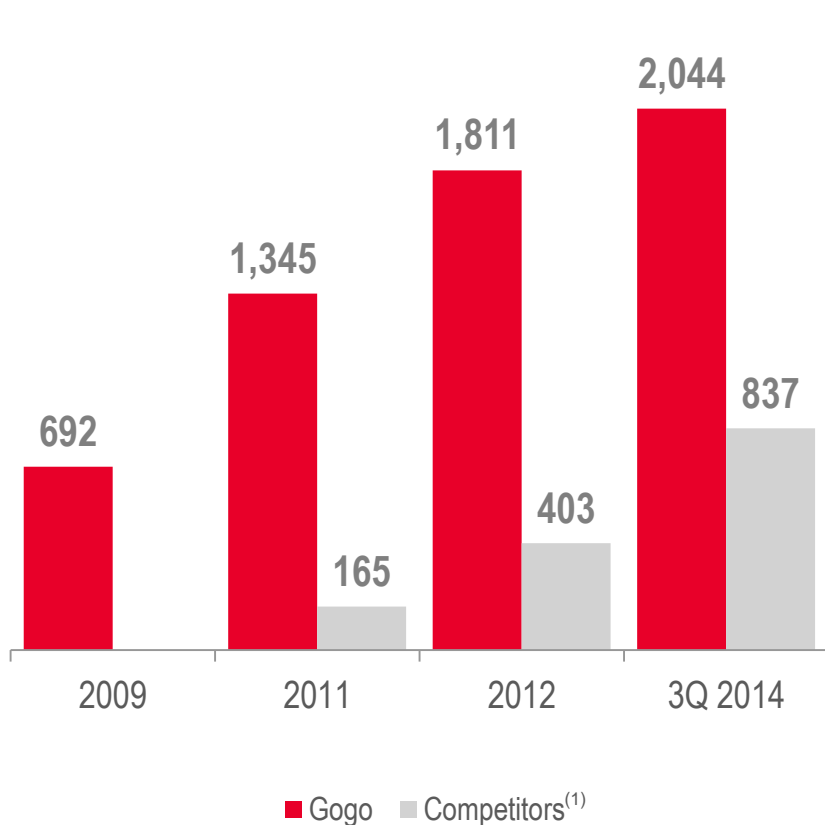
# WHY WE WIN

- 1 Specialize in global aviation
- 2 End-to-end service provider
- 3 Superior technology and roadmap
- 4 Deliver excellent reliability

# 1. WE SPECIALIZE IN AIRCRAFT... AND ARE FAR AHEAD OF THE COMPETITION



## CA - NA Aircraft Online



## Getting Technology Right Matters

- Deploying ATG provided six years of leadership
- Years ahead on experience curve
- Leading scale and roadmap

## Gogo Has Required Skill Set For Connected Aircraft

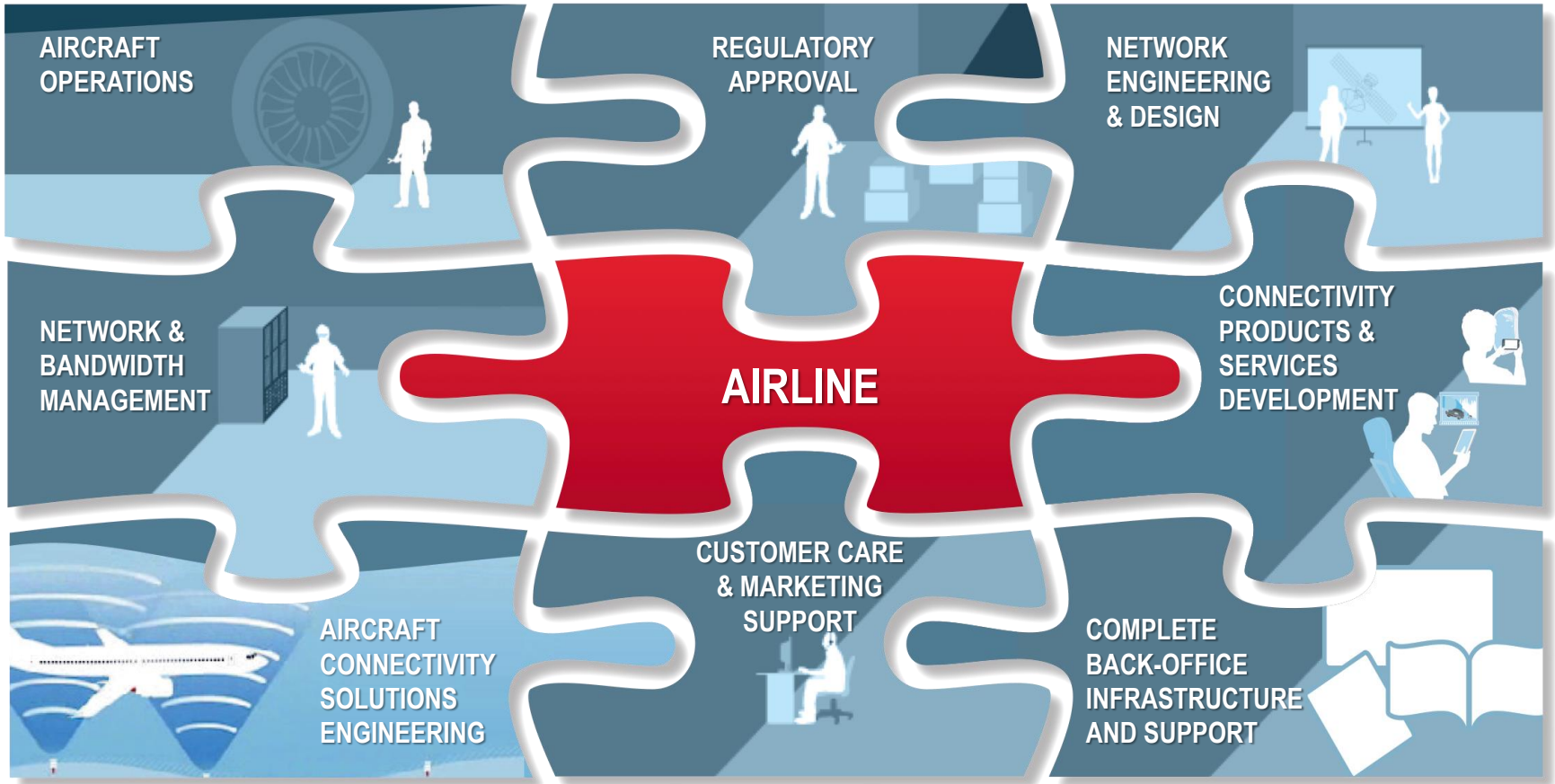
- Telecommunications
- Aviation
- Internet









(1) Data based on publicly available information as of 9/30/14. Competitors include Panasonic, Global Eagle Entertainment, and Thales/LiveTV.  
©2014 Gogo Inc. and Affiliates. Proprietary & Confidential.



## 2. END-TO-END SERVICE PROVIDER



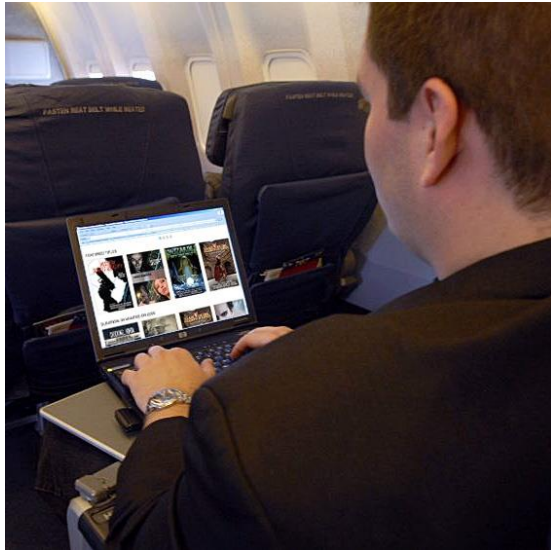
### 3. SUPERIOR TECHNOLOGY AND ROADMAP

Technology	Region	Peak Speed	Key Attributes						
Iridium	Global	2.4 Kbps	- Primarily telecom service - Low data speeds - Satellite	✓					
SwiftBroadband	Global	432 Kbps	- Low data speeds - Satellite	✓	✓		✓		
ATG / ATG 4	Regional	3.1 / 9.8 Mbps	- Overnight install - Suits all aircraft types - Lower latency vs. satellite	✓					
Ku Band	Global	50 Mbps	- Global coverage - Multiple suppliers - Available today	✓	✓	✓			
Ka Band	Global	50 Mbps	- Spot beam technology - Next Generation	Expected 2015 Launch			Expected 2015 Launch	✓ (Regional)	✓ (Regional)
2Ku / GTO	Global / Regional	70 Mbps+	- 2x spectrally efficient vs. Ku/Ka band - Lower profile radome - More robust & reliable	Expected 2015 Launch					

# 4. GOGO DELIVERS EXCELLENT RELIABILITY



**65+ million  
sessions**



**8,000+ flights  
per day**



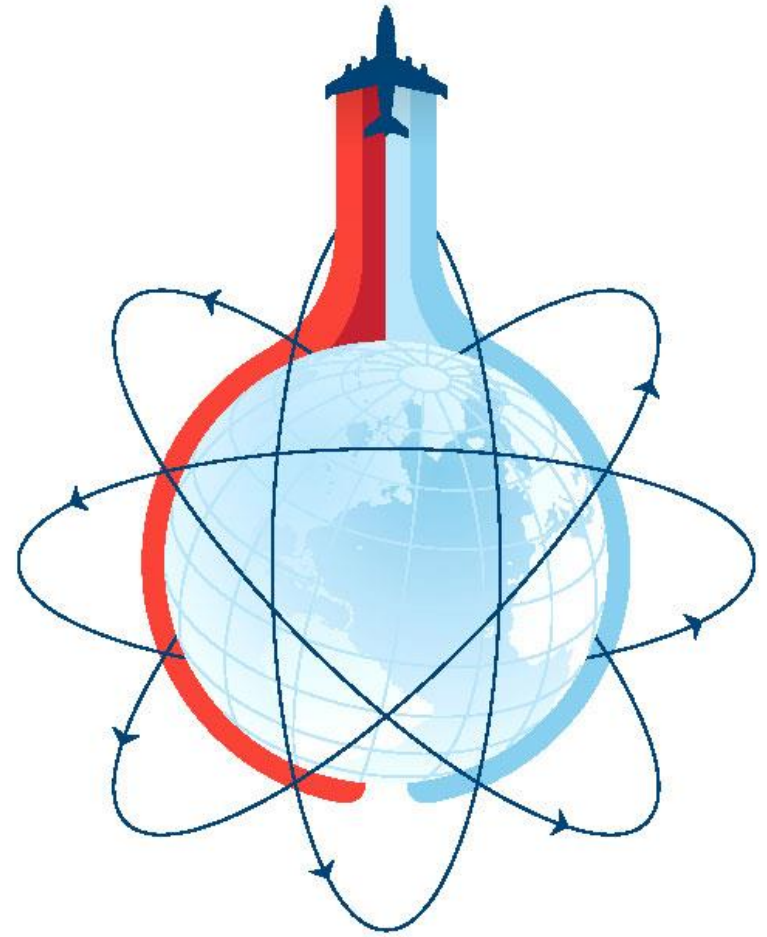
**98% +  
ATG End-to-End  
System Availability**



# GOGO FOUR POINT STRATEGY TO INCREASE SHAREHOLDER VALUE



- 1 Gain global share
- 2 Increase bandwidth to aircraft
- 3 Grow ARPA
- 4 Deliver consistent execution



# WHY INVEST IN GOGO



**LARGE GROWTH OPPORTUNITY**

**LEADING POSITION**

**EXPERIENCE & SCALE**

**HIGH BARRIERS TO ENTRY**

**ATTRACTIVE ECONOMICS**





Q&A

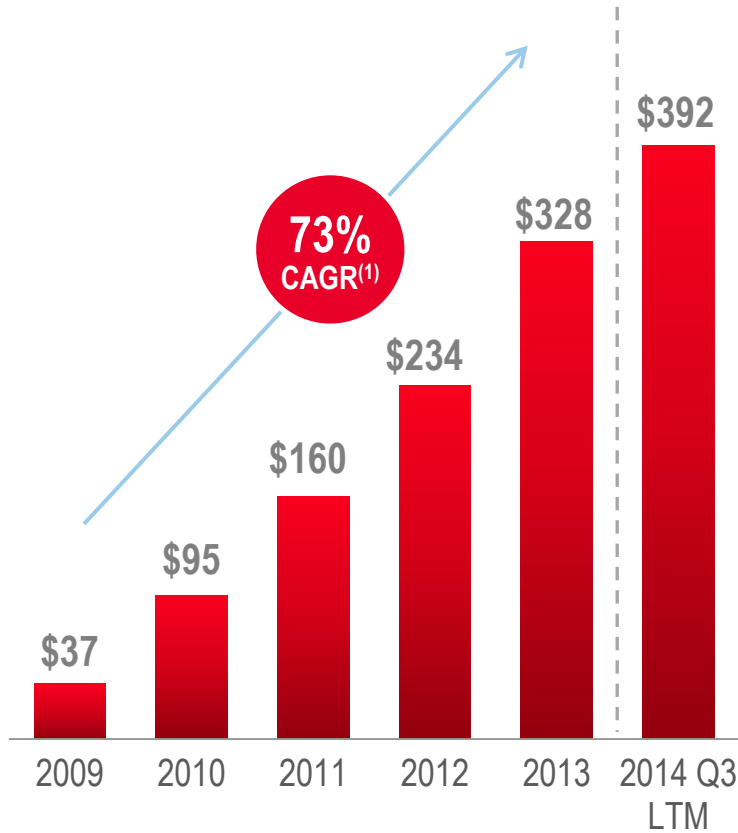


# APPENDIX

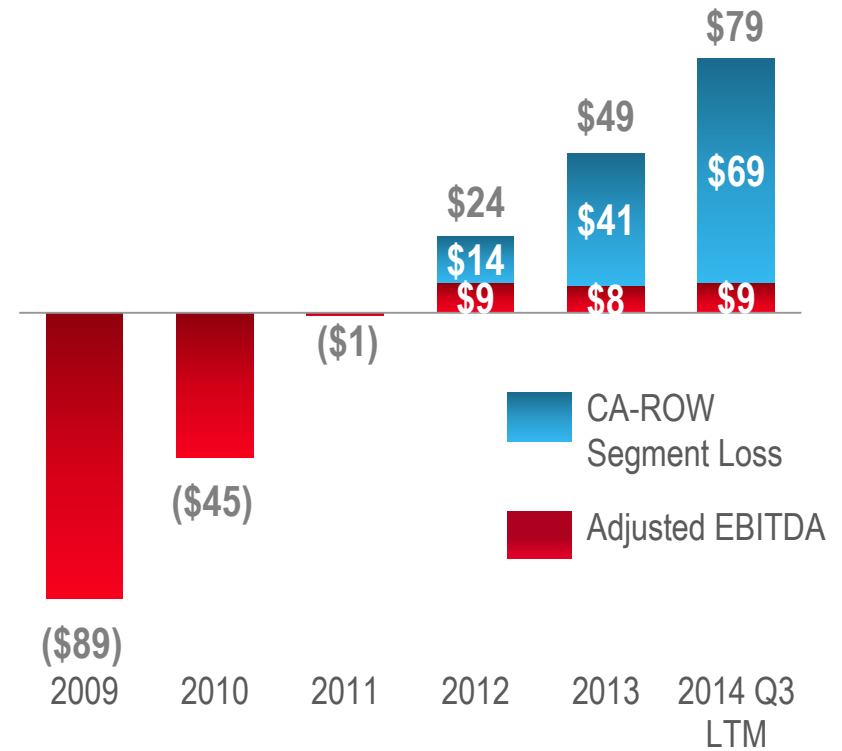
# GROWING REVENUE DRIVES PROFITABILITY



## Revenue (\$MM)



## Adjusted EBITDA <sup>(1)</sup> (\$MM)



(1) Please see reconciliation of Adjusted EBITDA in appendix.

Note: Minor differences exist due to rounding.

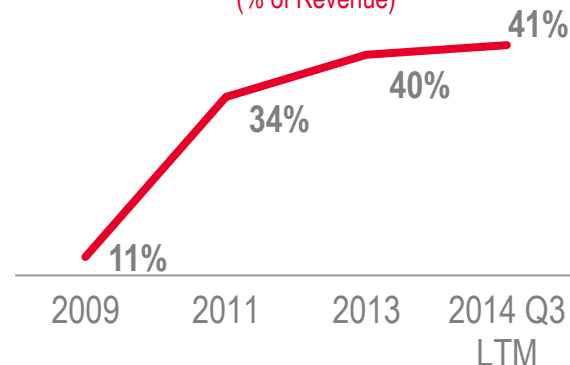


# OUR SEGMENTS ARE IN DIFFERENT PHASES

## 1. BA:

Strong revenue growth  
Strong segment profitability and FCF

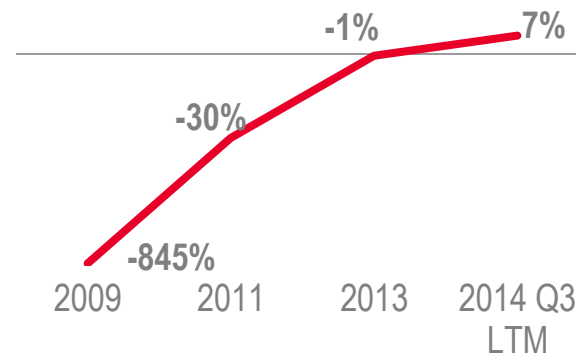
**BA Segment Profit Margin**  
(% of Revenue)



## 2. CA-NA:

Strong revenue growth  
Segment profitability

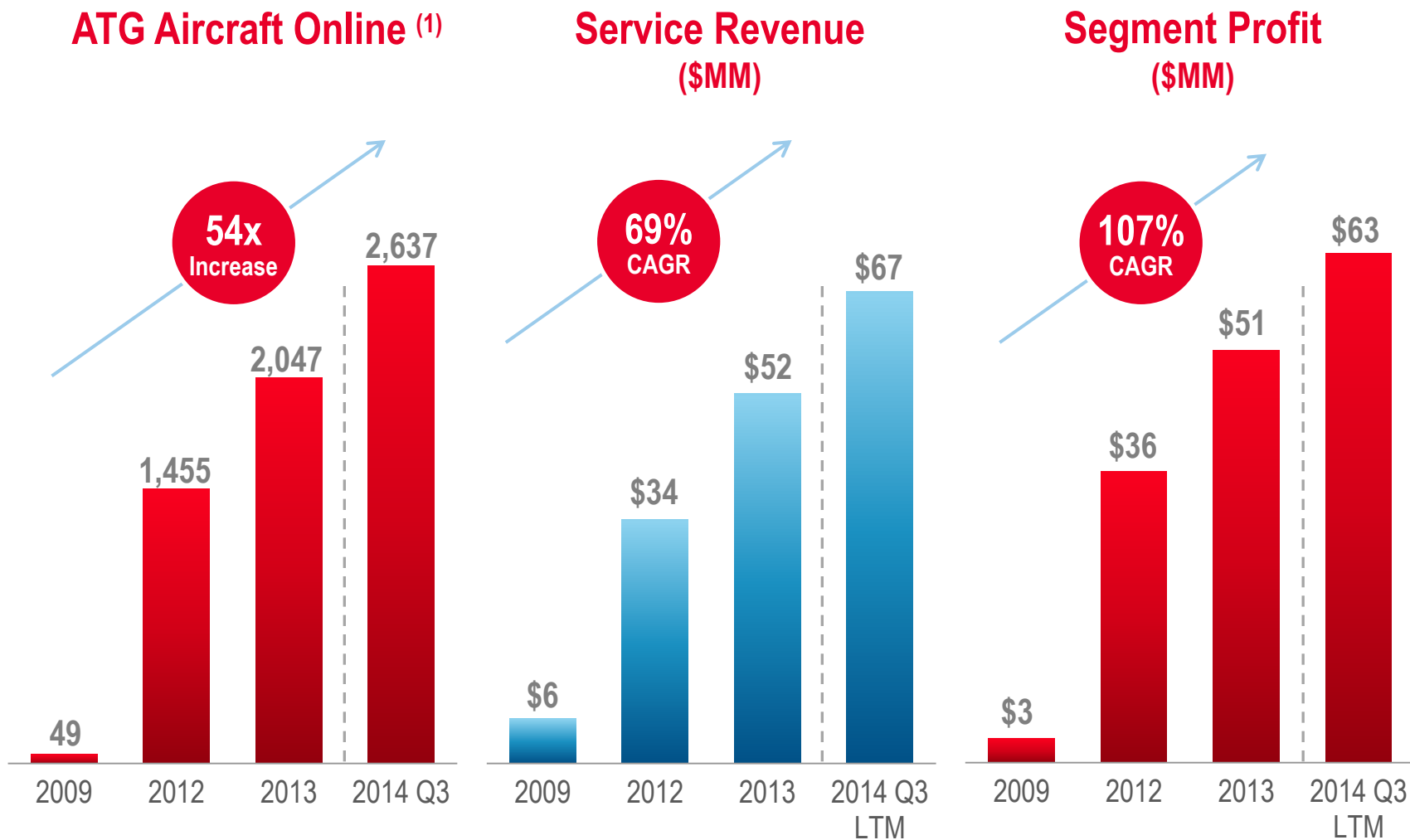
**CA-NA Segment Profit Margin**  
(% of Revenue)



## 3. CA-ROW:

Start-up phase  
Focusing on signing airlines and investing for growth

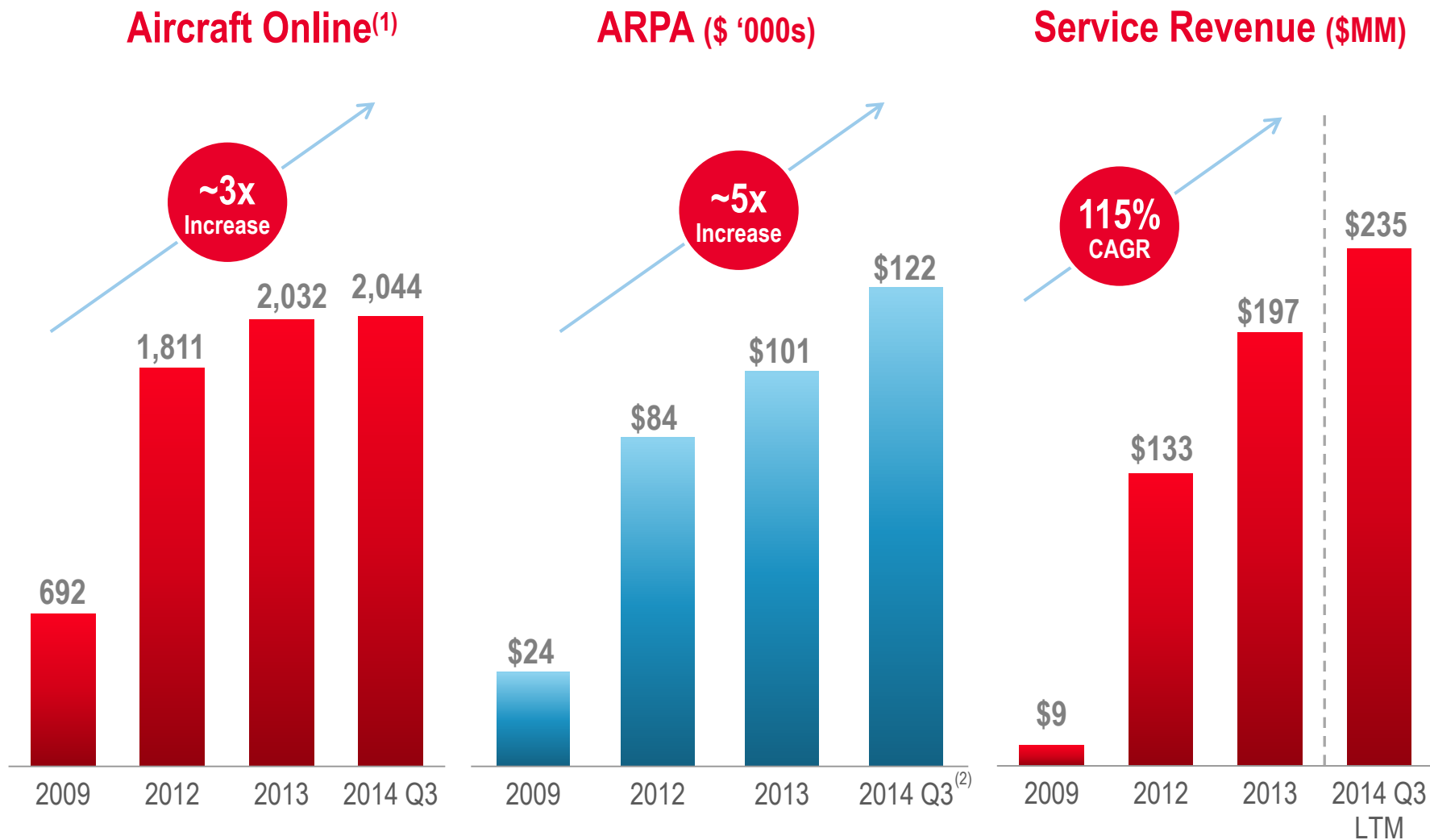
# 1. BA HIGH-MARGIN SERVICE REVENUE DRIVES SEGMENT PROFITABILITY AND CASH FLOW



(1) End of period.

Note: Minor differences exist due to rounding.

## 2. CA-NA SERVICE REVENUE GROWTH



(1) End of period.

(2) Annualized.

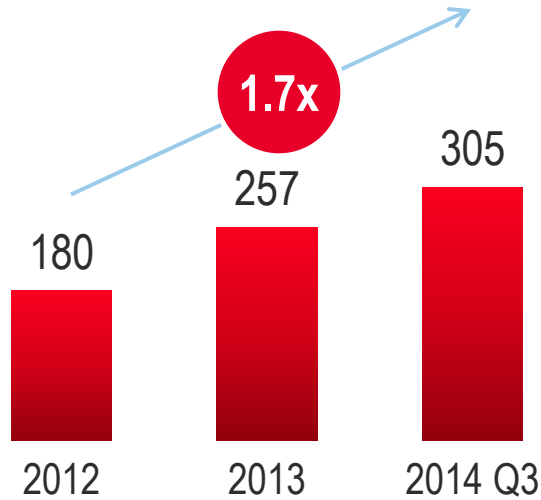
Note: Minor differences exist due to rounding.

©2014 Gogo Inc. and Affiliates. Proprietary & Confidential.

# 3. CA REST OF WORLD INVESTMENT POSITIONS GOGO FOR FUTURE GROWTH



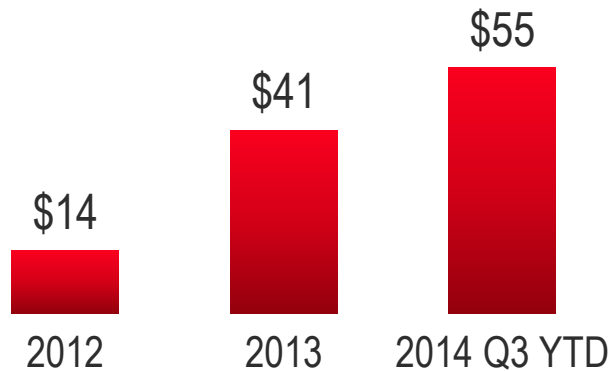
## International Aircraft Wins (cumulative)



## Operationalizing International

- Global Satellite Network established
- All Delta & Japan Airline STCs obtained
- International service operationalized
- Low profile, high spectral efficiency 2Ku antenna introduced

## CA-ROW Segment Loss (\$MM)

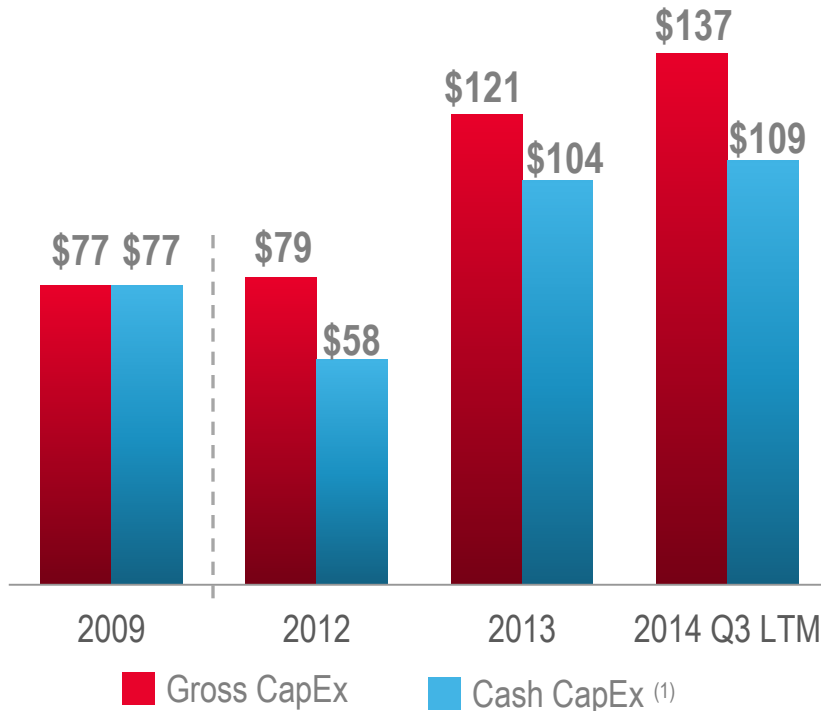


## International Partners



(1) Letter of Intent

## Capital Expenditures (\$MM)



- ATG4 retrofit expense will decline over time
- Airlines pay for airborne equipment
- ATG network build-out expense is declining, network is largely built

(1) Cash CAPEX represents capital expenditures net of airborne equipment proceeds received from the airlines and incentives paid to us by landlords under certain facilities leases.

# ADJUSTED EBITDA RECONCILIATION (\$MM)

	2009	2010	2011	2012	2013	2013 Q4	2014 Q1	2014 Q2	2014 Q3
Net Income	(142)	(140)	(18)	(96)	(146)	(22)	(17)	(19)	(25)
Interest Income	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Interest Expense	30	–	1	9	29	7	7	7	9
Income Tax Provision	–	3	1	1	1	–	–	–	–
Depreciation & Amortization	22	31	33	37	56	14	16	15	17
EBITDA	(91)	(106)	16	(49)	(60)	(0)	6	4	2
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	2	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)	(3)	(4)
Adjusted EBITDA	(89)	(45)	(1)	9	8	(0)	5	3	1

# CASH CAPEX RECONCILIATION (\$MM)

	2009	2010	2011	2012	2013	2013 Q4	2014 Q1	2014 Q2	2014 Q3
Purchases of Property and Equipment	(69)	(33)	(33)	(67)	(105)	(22)	(32)	(28)	(35)
Acquisition of Intangible Assets (Capitalized Software)	(8)	(7)	(10)	(12)	(16)	(5)	(4)	(5)	(5)
Gross CapEx	(77)	(40)	(43)	(79)	(121)	(27)	(36)	(33)	(41)
Change in Deferred Airborne Lease Incentives	–	9	11	18	9	1	5	3	5
Amortization of Deferred Airborne Lease Incentives	–	1	1	4	8	3	3	3	3
Landlord Incentives	–	–	–	–	–	–	–	–	2
Cash CapEx	(77)	(30)	(31)	(58)	(104)	(24)	(29)	(27)	(30)