



Why Gogo's Shares Surged 50% in September

Description

What happened

Shares of in-flight broadband service provider **Gogo** ([NASDAQ: GOGO](#)) jumped 50% higher in September, [according to data from S&P Global Market Intelligence](#). The company drove this surge with a one-two punch of meaty press releases. At this point, Gogo's stock has gained 80% year to date.

So what

First, Gogo's shares rose 11% in a single day on the announcement of [1,500 completed system installations](#). That's still a very small slice of a global market with roughly 17,000 airliners aloft at any given time. But it's also a headline-ready round number that shows steady progress from less than 1,300 installations in January.

The next week, Gogo enjoyed another buzz thanks to [public comments by an executive](#) from **Delta Air Lines** ([NYSE: DAL](#)). Share prices surged another 10% on the revelation that Delta wants to set itself apart from the competition by offering free Wi-Fi on every flight.

Now what

Gogo is already a supplier to Delta, but it never hurts to see a major client preparing to use your products and services as a consumer-facing selling point. Investors should keep an eye on Gogo's backlog, which stood at 850 unfilled orders in early September. The combination of filled and unfilled orders has held relatively steady so far in 2019, and it would be good for the company's future revenue flows to see the backlog take another jump. The Delta deal should push Gogo in that direction as the airline's high-level ambitions turn into bankable order sheets and invoices.

CATEGORY

1. Investing

2. Tech Stocks

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1. Syndicated

TICKERS GLOBAL

1. NASDAQ:GOGO (Gogo Inc.)
2. NYSE:DAL (Delta Air Lines, Inc.)

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