This TSX Stock Has Plunged 32% in 2022: Should You Buy the Dip?

Description

Opsens (TSX:OPS) is a Quebec-based company that develops, manufactures, installs, and sells fibre optic sensors for interventional cardiology, fractional low reserve (FFR), oil and gas, and industrial applications. This company's stock has been hit by turbulence to star this year, despite its exposure to some thriving industries. How should investors view this TSX stock as we move into February? Let's jump in.

Why Opsens stock has struggled to start 2022

Shares of Opsens have dropped 32% in 2022 as of mid-morning trading on January 31. The stock has declined 7.9% in the week-over-week period. However, its shares are still only down 4.8% year over year.

This TSX stock has succumbed to broader volatility in the Canadian market. However, the fractional flow reserve market is geared up for strong growth going forward. This should spur investors to dive into this dip, as we say goodbye to the first month of 2022.

Fractional flow reserve is a technique that allows one to determine the ratio between the maximum achievable blood flow in a diseased coronary artery and the theoretical maximum flow in a normal coronary artery. MarketsAndMarkets recently projected that fractional flow reserve market is projected to reach US$1.08 billion by 2024. This would represent a CAGR of 16% over the forecast period dating from 2019.

How has this company performed over the past year?

Investors can expect to see Opsens's next batch of earnings on April 12, 2022. It released its first-quarter fiscal 2022 results on January 13.

The company reported consolidated sales of $8.1 million in Q1 FY2022 — down 3% from the previous year. Meanwhile, coronary artery disease sales declined 7% to $4.9 million. It suffered from a negative exchange rate as well as the continued impact of the COVID-19 pandemic. On the business front, Opsens announced that it filed a 501(k) submission with the United States Food & Drug Administration (FDA). This is for the regulatory clearance of its new guidewire, SavvyWire, for transcatheter aortic valve replacement, or TAVR, procedures. Moreover, it also applied for approval with Health Canada.

Opsens saw administrative and R&D costs rise, as operating expenses hit $6.0 million — up from $4.4 million in the first quarter of fiscal 2021.

Should you buy Opsens today?

Back in the summer of 2020, I'd discussed why investors should get in on healthcare stocks for the long haul. At Opsens, sales of optical medical systems rose to $2.4 million compared to $2.0 million in the prior year. Its exposure to this promising space, as well as other industries, should keep investors interested as we move into the month of February.

Shares of Opsens are trading in favourable value territory compared to its industry peers at the time of this writing. This TSX Stock currently possesses an RSI of 25. That puts Opsens in technically oversold territory, as we finish off the month of January. Investors should look to buy the dip in this promising TSX stock in early 2022.

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