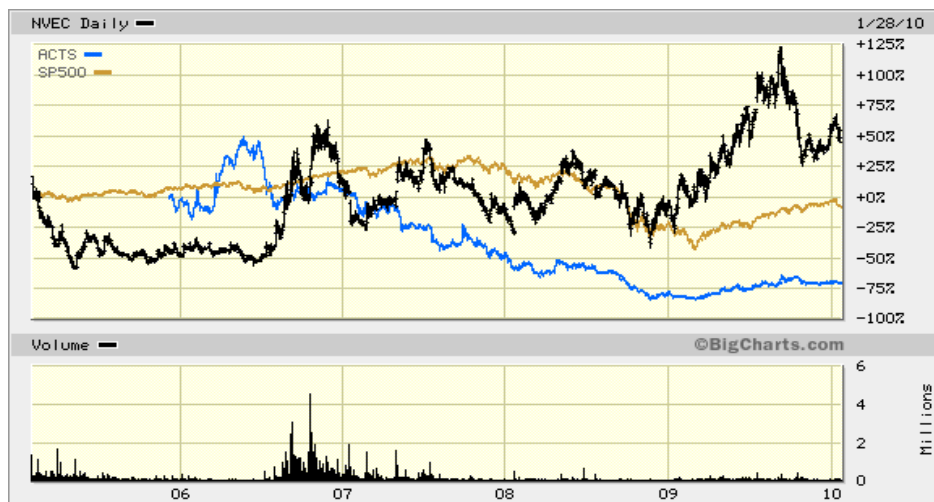


NVE Corp. (NVEC) 1/28/10

NVE operates as a producer of products that use 'spintroic' technology, which utilizes electron spin in technology devices rather than electron charge. The company offers three main lines of products; magnetic sensors, isoloop couples, and magnetic RAM. NVEC is based in Eden Prarie, Minnesota and was founded in 1982.

Current Price	\$42.38
52 Week High	\$63.64
52 Week Low	\$26.01
One Yr Target	n/a
Market Cap (in billions)	\$0.19
P/E (Trailing)	17.81
P/E(1 Yr Forward)	15.41
P/E/G	0.69
ROA	24.71%
ROE	25.32%
EPS	\$2.38
Beta	1.21
Annualized Dividend	\$0.00
Dividend Yield	0.00%
Analyst Consensus	1.50
Debt to Equity	0.02



Annual EPS

2006	\$0.39	
2007	\$1.03	164.98%
2008	\$1.55	50.09%
2009	\$2.09	35.15%
ttm	\$2.38	13.63%

Annual Revenue (in millions)

2006	\$12.17	
2007	\$16.46	35.25%
2008	\$20.53	24.73%
2009	\$23.37	13.83%

Annual Net Income (in millions)

2006	\$1.80	
2007	\$4.78	165.56%
2008	\$7.19	50.42%
2009	\$9.78	36.02%

Free Cash Flows (in millions)

2006	\$3.10	
2007	\$5.20	67.74%
2008	\$6.09	17.12%
2009	\$9.60	57.64%

Required Rate of Return

11.87%

Dividend Growth Model

Present Value of 2015 Price	n/a
Holding Period Return (5 years)	n/a

Expected Annualized Return Model

Present Value of 2015 Price	\$107.41
Holding Period Return (5 years)	17.00%

Residual Income Model

Intrinsic Stock Price	\$0.23
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Analysis

Positives

Very low PEG ratio with high ROE and ROA suggest stock price is currently cheap

Very very little Debt, coupled with nice growth is a great indicator of future financials

Negatives

Financial Statements

Income Statement has fantastic growth record and great margins

Balance Sheet has almost no Debt and Retained Earnings are growing fantastically

Overall Cash Flows are pretty flat but Operating Cash is good and Capital Expenditures low

Industry Analysis

The Semiconductor industry should outperform the market, but may sink is another lull hits

NVEC has financial ratios that are leading a competitive industry

Summary

NVEC is financially an outstanding looking company. It has great financial ratios and some of the best financial statements in the broader market. Its small market cap shows that it is still a speculative company and one that has had plenty of ups and downs through the years. It's industry of 'spintronics' is unique and seems to be something that could really take off, or it could completely fail. Management has stated that it is committed to increasing shareholder wealth while still pushing its R&D departments, and also stating that its geographic presence is growing. The EAR valuation model says that NVEC easily clears its Required Rate of Return, one of the few stocks lately to do so. Not only do the financials look great but its predicted growth rate from analysts is around 25%, which helps explain its low PEG ratio. NVEC looks like a buy based on strong operations in its field, but before acting on this recommendation remember that the company is a speculative play and more research into spintronics is advised.