

## SCIENTIFIC ADVISOR'S REFERENCE

<b>Program:</b>	Master in Corporate Finance
<b>Student:</b>	Egor Evstafev
<b>Title of thesis:</b>	Application of Monte Carlo Simulation in Residual Earning Model for IPO-Prices Estimation

<p><b>Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis.</b> Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.</p>
<p>The topic of forecasting IPO-prices is very actual in all companies, disregarding the industry. In this case residual income is one of the measures of the value of the company for potential shareholders that is very important while making decisions concerning investing in a company. It can be applicable for estimating IPO-prices with a high relevance. The aim of the thesis is stated clearly and all the objectives are in a line with the set goal.</p>
<p><b>Structure and logic of the text flow.</b> Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.</p>
<p>The work consists of two parts that are logically correlated and go in line with each other. The first part is theoretical and provides the necessary background for the definitions and concepts. The second part is practical and defines the method of the research and the main results that are obtained. I am totally satisfied with the efficiency of Egor's work during his studies.</p>
<p><b>Quality of analytical approach and quality of offered solution to the research objectives.</b> Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.</p>
<p>Egor has shown himself as an independent researcher that is able to work with a big amount of data. He managed to clarify how to work with Monte-Carlo simulation and applied it to real IPO cases that gives a very interesting and applicable tool of real investors, companies going for IPOs and underwriters.</p>
<p><b>Quality of data gathering and description.</b> Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.</p>
<p>The data is adequate and is absolutely in line with the goal of the research. Egor used different sources of data to collect the necessary information for application of Monte-Carlo simulation for estimating IPOs. The data is relevant for proceeding with the chosen method. Egor has shown himself as an independent researcher being able to work with huge amount of data. He was always eager to learn something new while working on the Master thesis.</p>
<p><b>Scientific aspect of the thesis.</b> Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.</p>
<p>Egor has clearly defined the research gap and also extended the methodology to be able to apply it to IPO-prices forecasting. The research model is justified and tested in the right way.</p>
<p><b>Practical/applied nature of research.</b> Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.</p>
<p>The paper is very practically oriented as the method can be used by real investors thinking about buying shares during IPOs, companies going for IPOs and underwriters.</p>
<p><b>Quality of thesis layout.</b> Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.</p>
<p>The layout fulfils the requirements of the Regulations for master thesis.</p>
<p><b>Originality of the text.</b> The absence of plagiarism</p>
<p>The master thesis is original and does not contain elements of plagiarism.</p>

The Master thesis of Egor Evstafev meets the requirements for master thesis of Master in Corporate Finance program thus the author of the thesis can be awarded the required degree.

Date 29.05.2018

Scientific Advisor:

Tatiana Garanina

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A handwritten signature in blue ink, appearing to read 'T. Garanina', is positioned to the right of the text describing the scientific advisor.