SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in Corporate Finance
Student:	Nosachev Sergei
Title of thesis:	Restaurant-startup valuation: case of Russian companies

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. 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.

The problem of company's value estimation occurs at different stages of its development and never loses its relevance. One of the difficult objects of evaluation is a startup. If a startup belongs to the restaurant industry, the issue of evaluation becomes more complicated, due to the fact that this industry is characterized by its own specific risk. Therefore, a research intended to answer the question, which risks should be considered in evaluation of a restaurant startup and how they should be analyzed, is indeed actual. Nosachev S. conducted a study aimed at obtaining the answer to the following question: how to value Russian restaurant-startups taking into account different risks in dining sphere?

The topic of the research is certainly relevant and up to date. To achieve this goal the student met the following objectives: he conducted and presented the analysis of specific features of Russian startups in dining sector, the possibility of using classical valuation models and identified the reasons why it is not appropriate to use classical valuation models for the startup. Then he applied the modified valuation method adjusted for risks to three different Russian startups and analyzed the obtained results. In conclusions he made recommendations for the use of model.

Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.

The research is logically structured; all the objectives set by the author are met.
The structure of the thesis is as follows: introduction, two chapters, reference list and appendices. In the first chapter Sergei provides a literature review, analysis of the current state of research and main contribution. Main valuation models are overviewed, the peculiarities of Russian startups are explained. The second chapter is devoted to the overview of valuated companies, the valuation of these companies and conclusion. The analysis of modern literature and business case developed by the student allowed to conduct his own study in which he examined the use of classical valuation models and to identify the reasons why it is not appropriate to use classical valuation models for the startup.
The structure and content of the research are based on the theoretical approach presented in the first chapter.

Quality of analytical approach and quality of offered solution to the research objectives. 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.

All the objectives set in the thesis are met; the methodology is consistent with the approaches considered in the contemporary academic literature. Literature review is logically related to the research topic; the conducted study and obtained results demonstrate good level of the author's analytical skills. In general, the quality of the analytical approach can be evaluated as good.

Quality of data gathering and description. 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.

The presented methodology and methods of analysis are adequate for conducted research. List

of references is relevant and includes contemporary sources: both classical papers and contemporary studies on the researched topic.

Scientific aspect of the thesis. 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.

The thesis is done independently. The author applied existing methodology used in previous studies in order to modify the valuation method adjusted for risks to three different Russian startups. Taking into account the fact that there is relatively small number of papers devoted to the studied problem, the thesis differs by novelty and practical significance.

Practical/applied nature of research. 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.

The study was conducted for three different Russian startups. In conclusions, based on the obtained results, Nosachev S. makes recommendations on the use of model adjusted for risks.

Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.

The formal structure of the paper meets the requirements for the thesis preparation.

The Master thesis of Nosachev S. meets the requirements for master thesis of MCF program thus the author of the thesis can be awarded the required degree.

Date
11.06.2015
Scientific Advisor:

Asc. Prof. Irina Berezinets