

### SCIENTIFIC ADVISOR'S REFERENCE

<b>Program:</b>	<b>Master in Corporate Finance</b>
<b>Student:</b>	<b>Maria Ratushkova</b>
<b>Title of thesis:</b>	<b>Relation of the characteristics of CEO and market premium in M&amp;A deals</b>

**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.

Master thesis of Maria Ratushkova is devoted to the relationship between different CEO characteristics and market premium in M&A deals. The relevance of the topic can be justified by an increasing number of M&A deals as well as by the rising number of megadeals worldwide. There is no doubt that the topic of the thesis is relevant, taking into account nature of the recent economic growth in general and peculiarities of contemporary M&A activity specifically. Moreover, in the academic literature the topic of CEOs' role in these deals is gaining its popularity. The purpose of the thesis was to explore the determinants of the premium size in M&A deals. The research goal set by Maria Ratushkova was to determine the relationship between different characteristics of CEO of both acquirer and target companies and market premium in M&A deals. In order to achieve the research goal, the student met the following objectives: Maria Ratushkova briefly investigated theoretical concepts of M&A process, analyzed theoretical approaches to premium payments and reviewed contemporary research on CEO characteristics related to the premium size. Furthermore, for the purpose of the study, econometric analysis was conducted.

**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 structure of the thesis is the following: introduction, three chapters, conclusion and references. In the first chapter the general aspects of M&A deals were analyzed, key factors influencing the price were investigated, main motives for conducting the deal were considered. The second chapter is devoted to CEO characteristics of acquirer and target companies. Research hypotheses are also formulated there, which provides a link between theoretical and empirical parts of the paper. The third chapter represents the empirical part of the research. The structure of the thesis is logical as the methodology and structure of the empirical part is built on the theoretical framework and findings of the recent papers, covered in the previous chapters.

**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.

In her thesis, Maria Ratushkova has completed all the objectives stated. The methodology applied by the student is in line with theoretical concepts of contemporary academic literature. The conducted analysis and interpretation of findings demonstrate high level of analytical skills of the student.

**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 econometric analysis is clearly appropriate for conducted research and achievement of the research goal. The data sample used by the author is definitely relevant for the stated research problem. The literature review and the list of references are complete and coherent. The student provides a comprehensive analysis of both classical concepts and contemporary academic literature.

**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 completed independently. Based on the existing methodology the author investigated the relationship between the premium paid and characteristics of the CEO of acquiring and target companies. Findings of Maria Ratushkova are valuable for understanding the main determinants of

premium size in M&A deals as well as the relation of CEO to the size of premium payments. Limited number of studies related to the analysis of motives for paying high premiums in M&A deals and ambiguity of findings regarding the relationship between the CEO characteristics of target, acquiring companies and premium paid in prior research allowed the author to reach novel and practically valuable conclusions.

**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 econometric analysis was conducted on the sample of 166 deals conducted in USA from 2005 till 2016. Maria Ratushkova justified and interpreted all the findings of econometric analysis. The student identified the characteristics of target, acquiring companies as well as deal characteristics that determine the size of the premium in M&A deals. Moreover, Maria Ratushkova identified CEO characteristics that are related to the size of the premium in M&A deals. Based on the findings of empirical analysis, the student developed a set of managerial recommendations for both acquirer and target companies.

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

The layout of the thesis fulfils all the official requirements of Regulation for master thesis preparation and defence. The layout of tables, figures and references is correct.

**Originality of the text.** All sources of match identified by the Safe Assign system follow the allowed cases, the paper does not contain any elements of plagiarism.

The thesis text is original and does not contain elements of plagiarism.

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

Date

3.06.2017

Scientific Advisor:

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