

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Jakub Říha
Advisor:	Tomáš Fencel
Title of the thesis:	The Performance of Private Equity Backed IPOs: Evidence from the European Market

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

While the topic of IPO performance and the role of so called "sponsorship" has been studied before, this thesis expands the body of research by (a) including more current data set and (b) focusing on European capital markets, which are generally less studied than the US counterpart.

Another important contribution is the clear differentiation between IPO's coming from so called LBO funds versus VC funds. While these categories have often been confused and conflated both in popular discussions and academic work, the distinction is an important one as this study clearly demonstrates.

Methods

The applied methods were appropriate to the questions discussed and the student demonstrated strong handle on the statistical methods used. The author properly identified the main causes of misspecification. A complex set of reference portfolios was created by the author to examine the behavior of PE-backed IPOs across different categories.

Literature

The literature referenced in the work was relevant and covered well the prior research on the subject matter, or its components. The author summarized the findings of the existing literature and related his own observations to that of authors studying the subject before.

Manuscript form

The manuscript was well organized, text was well written and all exhibits were clearly labeled and formatted. Perhaps a greater effort could have been put into weaving the various logical threads into a more eloquent summary, which is why a few points were taken off.

Summary and suggested questions for the discussion during the defense

Overall the work is a good example of applying robust statistical analysis to deriving practical findings, relevant to investment decision making. The thesis addresses a complex topic with significant depth of analysis of both summary data and also a number of relevant segment analysis (geographical, industry). As the behavior of capital markets tend to have different characteristics over various time horizons, a significant effort was put into differentiating short-, medium- and long-term effects.

Discuss the role of "multi-layer screening" (only companies that fulfil certain criteria become LBO targets and of those only some are sold via IPO) and "costly signaling" in interpreting the observed data and conclusions drawn.

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SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Contribution (max. 30 points)	25
Methods (max. 30 points)	30
Literature (max. 20 points)	20
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	93
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE:

Tomáš Fencel

DATE OF EVALUATION:

10.9.2018



Referee Signature