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Editorial

Special Issue "Financial Analysis, Corporate Finance and Risk Management"

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1. Introduction

In an era of rapid economic transformation, evolving regulatory landscapes, and technological advancements, the need for robust financial analytics, effective corporate financial strategies, and risk management frameworks has never been more critical. Companies must navigate financial uncertainty, optimize their capital structures, and implement sustainable financial practices to ensure long-term stability and success. In response to these challenges, this Special Issue presents a collection of eighteen high-quality research contributions that explore innovative methodologies and emerging trends in these areas.

Financial analysis plays a crucial role in informed decision-making, enabling the assessment of corporate performance and understanding of an organization's financial health. In today's context, where markets face constant challenges, the evolution of financial practices and the adoption of new approaches are essential to ensuring business resilience and competitiveness.

2. A Short Review of the Contributions to This Special Issue

This Special Issue brings together eighteen significant contributions that address various aspects of financial analysis and its practical applications.

2.1. Financial Analysis and Capital Structure

The contribution titled "Determinants of Corporate Indebtedness in Portugal: An Analysis of Financial Behaviour Clusters" (Tavares et al. 2024) investigates corporate debt patterns in Portuguese firms, while "Features of the Association between Debt and Earnings Quality for Small and Medium-Sized Entities" (Sequeira et al. 2024) explores the relationship between debt and earnings quality in small and medium-sized enterprises.

2.2. Corporate Finance Strategies and Risk Management

Corporate finance strategies continue to evolve, incorporating insights from behavioral finance and sustainable finance practices. In this context, "Board Gender Diversity and Risk Management in Corporate Financing" (Askarany et al. 2025) and "Risk Management in Product Diversification: The Role of Managerial Overconfidence in Cost Stickiness" (Parsaei et al. 2024) delve into how governance structures and managerial behavior influence capital structure decisions and risk management.

Risk management remains a cornerstone of financial stability, requiring sophisticated models to measure and mitigate uncertainties. Several papers in this Special Issue contribute to this discussion, including "Mapping the Landscape of Key Performance and

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Key Risk Indicators in Business" (Ionescu et al. 2024) and "The Role of Credit Consortia in the Financial Structure of Sardinian Companies During the SARS-CoV-2 Crisis" (Desogus et al. 2024), both of which highlight innovative approaches to managing financial risks in volatile environments. Advances in quantitative risk management (QRM) are also explored in "Uncertainty Reduction in Operational Risk Management Process" (Burstein and Zuckerman 2024), which presents novel methodologies for assessing and mitigating financial uncertainties.

2.3. Information Asymmetry and Financial Risk

Information asymmetry also stands out as a critical factor in financial markets. "Nonparametric Testing for Information Asymmetry in the Mortgage Servicing Market" (Jedidi and Dionne 2024) investigates the presence of information asymmetry in the mortgage market, while "Impact of Audit Fees on Earnings Management and Financial Risk: An Analysis of Corporate Finance Practices" (Daryaei et al. 2024) assesses the relationship between audit fees, earnings management, and financial risk.

2.4. Macroeconomics and Financial Stability

Macroeconomic issues and their implications for financial stability are explored in "The Role of Personal Remittances in Economic Development: A Comparative Analysis with Foreign Direct Investment in Lebanon" (Abou Ltaif et al. 2024a) and "Government Borrowing and South African Banks' Capital Structure: A System GMM Approach" (Mabandla and Marozva 2024), highlighting the impact of economic policies in emerging markets. "Lebanon's Economic Development Risk: Global Factors and Local Realities of the Shadow Economy Amid Financial Crisis" (Abou Ltaif et al. 2024b) examines economic risks in Lebanon in the face of the shadow economy.

2.5. Sustainable Finance and Technological Innovation

Sustainable finance and its role in shaping corporate financial decisions is another key theme in this Special Issue. "Robust Portfolio Optimization with Environmental, Social, and Corporate Governance Preference" (Escobar-Anel and Jiao 2024) investigates how sustainability considerations are increasingly integrated into financial decision-making, reinforcing the growing recognition that sustainable finance practices contribute to long-term financial resilience.

Technological advancements, particularly in artificial intelligence and machine learning, are transforming financial risk assessment. "Effective Machine Learning Techniques for Dealing with Poor Credit Data" (Nkambule et al. 2024) examines how machine learning models improve credit risk assessment, enhancing predictive accuracy and decision-making processes in financial analysis and risk management.

On the other hand, empirical studies on financial market volatility and its implications for investment strategies are explored in "Simulation of Dynamic Performance of DeFi Protocol Based on Historical Crypto Market Behavior" (Grigorova et al. 2024). This paper highlights the increasing importance of understanding market volatility, particularly in emerging sectors like decentralized finance (DeFi), and its impact on investment strategies. "A Financial Stability Model for Iraqi Companies" (Ibrahim et al. 2024) develops a financial stability model tailored to the specificities of the Iraqi economic context. "Dividend-Based Labor Remuneration and Tradable Shares in Worker Cooperatives" (Tortia 2025) examines how financial behavior and capital structure decisions impact firm outcomes and economic performance. Finally, "Shareholders in the Driver's Seat: Unraveling the Impact on Financial Performance in Latvian Fintech Companies" (Rupeika-Apoga et al. 2024) investigates how the presence of shareholders in management positions affects the financial performance of fintech companies.

3. Conclusions

This Special Issue reflects the diversity of approaches and methodologies used in financial analysis, contributing to a broader understanding of the challenges and opportunities shaping the global economic landscape. The 18 articles presented here reinforce the need for innovative strategies in optimizing financial planning, risk management, and business sustainability. We are confident that this Special Issue will serve as a valuable resource for researchers, industry professionals, and policymakers, strengthening the development of more robust and resilient financial practices.

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