Bankruptcy Prediction Report

Predicted Status: Bankrupt

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Company: JP Morgan
Financial Year: 2023-24

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Bankrupt

Analysis

Top Contributing Financial Ratios:

• **X16: (Total Assets - Total Assets Previous Year) / Total Assets Previous Year (-0.97):** This ratio indicates a significant decrease in total assets year-over-year, suggesting a contraction in the company's size and potential liquidity issues.

• **X42: Operating Expenses / Total Liabilities (0.73):** A high ratio suggests that the company is struggling to cover its operating expenses with its available resources, leading to potential financial strain.

• **X1: Current Assets / Current Liabilities (0.65):** This ratio reflects the company's ability to meet its short-term obligations. A value below 1 indicates potential difficulty in covering current liabilities with available assets.

• **X2: (Current Assets - Inventories) / Current Liabilities (0.52):** This ratio assesses the company's liquidity excluding inventories, which are often difficult to convert to cash quickly. A low value suggests potential short-term liquidity problems.

• **X65: Real Interest Rate (0.37):** A higher real interest rate indicates a higher cost of borrowing, which can further strain the company's financial position and exacerbate existing liquidity issues.

Recommendations

• **Implement a comprehensive cost reduction plan:** Identify and eliminate non-essential expenses, negotiate better terms with suppliers, and optimize operational efficiency to reduce operating costs.

• **Explore strategic divestitures:** Sell non-core assets or business units to generate cash and reduce debt burden.

• **Negotiate with creditors:** Seek debt restructuring agreements, such as extensions or waivers, to alleviate immediate financial pressure.

• **Secure additional funding:** Explore options for new loans or equity financing to address liquidity needs and improve financial flexibility.

• **Diversify revenue streams:** Expand into new markets or explore new product lines to reduce reliance on existing business segments.

Disclaimer

This report is based on model predictions and should be used as a tool for analysis and decision-making. It does not constitute financial advice, and readers should consult with qualified professionals for specific guidance related to their individual circumstances.