ABSTRACT

Bankruptcy of a company begins with financial difficulties. Companies that are unable to compete in the world economy will certainly experience bankruptcy or financial difficulties, this is reflected in financial performance which shows a decrease in income resulting in an inability to pay off their obligations. Financial distress such a big problem, therefore the company's strategy must be implemented in order to avoid financial distress.

The objective of this research is to identify the simultaneous and partial effect of profitability, operating cash flow and sales growth on financial distress in transportation and logistic service companies listed on the IDX in 2018-2021. Measurement of profitability using the proxy Return on Assets (ROA), operating cash flow is measured by the proxy of operating cash flow to current liabilities, sales growth is measured by the proxy of Growth and financial distress is measured by the Altman Z-score method.

The population in this research are service companies in the transportation and logistic sector that are listed on the IDX in 2018-2021. This research used purposive sampling to collect the samples. Nineteen samples for a 4 years research period were collected, resulting in a total 76 samples. Sources of data used in this research are secondary data. The method of this research used logistic regression analysis and testing using Eviews 12.

The result in this research showed that simultaneously profitability, operating cash flow, and sales growth have an effect on financial distress. Partially, profitability and sales growth have no effect on financial distress, on the other hand operating cash flow has a negative effect on financial distress.

Keywords*: *Financial Distress*, *Operating Cash Flow*, *Profitability, Sales Growth