

ABSTRACT

In early 2012 until mid-2016, the price of coal commodities decreased significantly. It caused other commodity prices, such as oil for fuel prices to decline. In addition, in 2014 the Government issued a new policy on the export ban on crude minerals. Because of these factors most of mining companies had financial difficulties, delisted from the Indonesia Stock Exchange and bankruptcy.

In this research the independent variables are liquidity, leverage, profitability, and cash flow. While the dependent variable in this study is financial distress. This research aims to determine the effect of liquidity, leverage, profitability, and cash flows to financial distress simultaneously or partially on the mining sector companies listed on the Indonesia Stock Exchange (BEI) from 2012 to 2016.

The population in this research are mining sector companies listed in Indonesia Stock Exchange (BEI) from 2012 to 2016. Sampling technique used is purposive sampling and obtained 27 companies in period of 5 years it gained 135 data observed. Data analysis techniques in this study used logistic regression analysis and data management used SPSS 24

Based on the results of the research variables liquidity, leverage, profitability, and cash flow simultaneously significantly affected on financial distress. While partially, leverage had a positive effect on financial distress and profitability had a negative effect on financial distress. Liquidity and cash flow variables had no effect on financial distress.

Management should restrict the use of debt as a source of funding company regarding with company assets whether the company is able to repay the debt with its assets and should be able to manage the company's assets optimally by avoiding excessive purchases so that costs are not high so the company can avoid the financial distress condition.

Keywords: Financial Distress, Liquidity, Leverage, Profitability, Cash Flow.