

Abstract

Financial distress is a period when the borrower unable to pay off obligations to creditors if this condition is not resolved, it can end up with bankruptcy or liquidation. This study aims to determine the simultaneous and partial influence between liquidity, leverage, profitability and sales growth on financial distress in sub sector metal companies and allied on Indonesia Stock Exchange (IDX) in 2014- 2018

This research use quantitative methods. The sampling technique in this study was purposive sampling. The samples in this study were 12 samples in period of 5 years with 60 total samples of the company. The analysis technique used in this study is panel data regression analysis using EViews 10.

Application based on the research results variables liquidity ratio, leverage, profitability and sales growth affect financial distress by 16.47% and 83.53% others is influenced by other factors outside the research variable. Simultaneously the variables of liquidity, leverage, profitability and sales growth affect financial distress simultaneously. Partially the leverage variable proxied by Debt to Asset Ratio (DAR) has a negative effect on financial distress, sales growth has a negative effect on financial distress. While the liquidity variable which is proxied by current ratio and profitability proxied by Return On Assets (ROA) has no effect on financial distress.

Keywords : financial distress, liquidity, leverage, profitability, sales growth