

ABSTRACT

In 2018-2019, companies in the coal sub-sector experienced a significant decline in reference coal prices. The decline in prices was due to excess production and no increase in demand. In addition, there are external factors that have caused the decline in coal prices, namely the slowdown in global economic growth, the issue of a trade war between China and America, import restrictions by China where Indonesia is the largest supplier and the issue of environmentally friendly issues to reduce carbon emissions in European countries. The existence of internal and external factors that influenced the decline in the average coal price (HBA) caused pressure on mining companies in the coal sub-sector. If the company cannot survive the decline in coal selling price. then the company may experience financial distress.

This study aims to see how the influence of liquidity ratios, activity, leverage, management, managerial ownership, and audit committee on the financial distress of coal sub-sector companies listed on the Indonesia Stock Exchange for the period 2012-2019. This research method is a quantitative method using time series data. The sampling technique used was the purposive sampling technique. This study uses a survival analysis technique with a regression model used, namely the Cox Proportional Hazard regression model.

The results showed that the variables of liquidity ratio, activity ratio, leverage ratio, company size, managerial agency costs, managerial ownership, and the audit committee could not predict or did not have a significant effect on financial distress in coal sub-sector companies listed on the Indonesia Stock Exchange for the period 2012-2019.

Keywords: Cox Proportional Hazard, Financial Distress, Survival Analysis