

ABSTRACT

Financial reports are one of the main means of communication used by companies to communicate financial information to internal and external parties, to show the results of managers of responsible use of trusted resources. Reports must meet accounting objectives so that these objectives and principles are generally accepted and users of financial statements make responsible and useful decisions. Financial Distress is a condition where a company experiences financial difficulties.

This study aims to determine the simultaneous and partial effect of leverage, profitability and liquidity on financial distress in agricultural sector companies listed on the Indonesia Stock Exchange (IDX) in 2017-2020.

The population in this study is agricultural sector companies listed on the Indonesia Stock Exchange. The method in this study uses quantitative methods and the sample selection method used is purposive sampling technique. The sample in this study was 10 samples within 4 years with 40 total samples of companies. The analytical technique used in this study is panel data regression. Using the Altman Z-Score method for measurement.

The results of this study indicate that the variables of leverage, profitability, and liquidity simultaneously affect financial distress. Partially, leverage and profitability have a positive effect on financial distress. Partially, liquidity has no effect on financial distress.

Based on the results of the study, it is expected to assist companies in evaluating the factors that affect the company's financial distress. Furthermore, this research is expected to be a reference and add insight and knowledge about the factors that affect financial distress so that it can be taken into consideration for investors in making investment decisions.

Keywords: *financial distress, leverage, profitability, and liquidity*