

ABSTRACT

This research has the title of the influence of company size, liquidity and sales growth on the financial distress of companies in the Restaurant, Hotel and Tourism sub-sectors that are listed on the IDX for the 2019-2021 period. This study aims to determine the effect of company size, liquidity and sales growth on financial distress. In addition, this study also aims to measure financial distress during the Covid-19 pandemic, where currently the majority of companies are experiencing an extraordinary decline in income.

There are three financial conditions that cause financial distress, namely the factor of insufficient capital or lack of capital, the large debt and interest burden and suffering from continuous losses in the last two years. The three aspects are interrelated. Therefore, the balance must be maintained so that the company avoids financial distress that leads to bankruptcy.

The phenomenon in this study is that during the Covid-19 pandemic, the restaurant, hotel and tourism sub-sector companies listed on the IDX experienced a decline in financial performance, this was due to a decrease in tourist visits from various countries and local tourist visits also decreased due to social policies. and physical distancing, so that many hotel, restaurant and tourism businesses have experienced a sharp decline in annual net income.

This research method is quantitative. Data analysis used descriptive statistical analysis and panel data regression with the eviews 12 application. The population of this research is the Restaurant, Hotel and Tourism sub-sector companies that are listed on the IDX for the 2019-2021 period. The sample technique used was purposive sampling and a total sample of 16 companies was obtained from a population of 45 companies.

The results of the study simultaneously company size, liquidity and sales growth affect financial distress. Partially, company size and sales growth have a positive effect on financial distress. Meanwhile, liquidity has a negative effect on financial distress. This research can be used as a reference regarding the calculation of company size, liquidity and sales growth that has been carried out by the company. For future researchers, it is hoped that they can test other independent variables that influence financial distress.

Keywords: *Company size, liquidity, sales growth and financial distress.*