ABSTRACT

Companies that are unable to compete in the global economy will certainly experience bankruptcy or financial distress, which is reflected in financial performance that shows a decrease in income, resulting in an inability to pay off obligations. Because the financial crisis is a very important problem, companies must establish the right strategy to avoid it.

The purpose of this study was to determine whether between 2018-2022 there was a simultaneous and partial influence between profitability, operating cash flow, and sales growth on financial distress in companies in the road transportation and airline sub-sectors listed on IDX-IC. Profitability is calculated using the Return on Assets (ROA) proxy, operating cash flow is calculated using the operating cash flow proxy to current liabilities, sales growth is calculated using the growth proxy, and financial distress is calculated using the Altman Z-Score.

The population in this study were road transportation and airline sub-sector companies listed on IDX-IC in 2018-2022. The sampling technique used was the purposive sampling technique. The samples used in this study were 11 samples during the 5-year research period, thus obtaining 55 samples. The data source used in this study was secondary data. The testing technique used in this study is logistic regression analysis and tested using IBM SPSS Statistics 12 software.

The results of the study indicate that simultaneously profitability, operating cash flow, and sales growth have an effect on financial distress. Partially, profitability and sales growth have no effect on financial distress, while operating cash flow has a negative effect on financial distress.

Keywords: Airlines, Financial Distress, IDX-IC, Operating Cash Flow, Profitability, Road Transportation, Sales Growth.