

ABSTRACT

This study aims to analyze the influence of profitability, liquidity, leverage, and operating capacity on financial distress in companies within the food and beverage sector listed on the Indonesia Stock Exchange during the 2018-2022 period, with a focus on the Covid-19 pandemic period.

The research method used is quantitative, employing purposive sampling for sample selection. The data used is sourced from secondary data, and the analysis is conducted using SPSS software. The analytical techniques include descriptive analysis and discriminant analysis. The financial distress prediction model used is the Altman Z-Score.

The objective of this study is to identify the variables that influence and are most dominant in predicting financial distress in companies in the food and beverage sector listed on the Indonesia Stock Exchange. The sample used in this study consists of 30 samples from 6 companies with 5 years of observation.

The results of this study indicate that three out of the four variables, which include profitability, liquidity, and operating capacity, have an influence as predictor variables in distinguishing between companies experiencing financial distress and those that are not. Only one variable has a significant or dominant influence, which is profitability, proxied by return on assets (ROA).

Keyword : altman z-score, discriminant, financial distress, liquidity, leverage, operating capacity, profitability.