

The Influence Of Financial Ratio On Financial Distress In Transportation Sub-Sector Companies

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Abstract

This research aims to find out how financial ratios influence a company's financial distress. These financial ratios consist of profitability, liquidity, leverage and activity ratios in transportation sector companies listed on the Indonesia Stock Exchange for the 2019-2022 period. This research was conducted using a purposive sampling method. Data collection techniques use secondary data. Data was collected from transportation sector companies listed on the Indonesia Stock Exchange (BEI) in 2019-2022 using the Multiple Linear Regression method using SPSS 21. The financial distress variable was proxied using the Springate formula (S-score). The results of this research show that the variables profitability, liquidity, leverage and activity have a significant influence on financial distress.

Keywords: Financial Distress, Profitability, Liquidity, Leverage, Activity.