

ABSTRACT

Financial distress conditions can be done to obtain an early warning of bankruptcy. The purpose of this study was to determine the effect of profitability, liquidity, leverage and sales growth on financial distress in the Asian region. The financial ratios used are Return on Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER), and Sales Growth (SG).

The samples used in this study were taken from 7 airlines companies that have been listed on the Indonesia Stock Exchange (IDX), Taiwan Stock Exchange (TSEC), Japan Stock Exchange (TSE), and Hong Kong Stock Exchange (HKEX) in the period of quater 1 2018 – quater 3 2021. Samples were taken using the purposive sampling method. The analytical technique used in this research is Multiple Linear Regression.

Through the results of the F test, it can be seen that all independent variables affect the dependent variable, namely financial distress on all research objects. The results of the t-test in this study explain that Profitability, Sales Growth has a significant positive effect on Financial Distress, and leverage has a significant negative effect on Financial Distress, while Liquidity has an insignificant positive effect on Financial Distress in airline companies on the Asian Stock Exchange.

Keywords: Financial Distress, Profitability, Liquidity, Leverage, Sales Growth.