

ABSTRACT

This study aims to analyze the effect of profitability, liquidity, and leverage empirically on the determination of the financial distress in companies retail listed on the Indonesia Stock Exchange in the period 2017-2022.

This study uses secondary data collected from the official Indonesian Stock Exchange website and Bloomberg financial data. The data used is in the form of financial statements of retailing companies from 2017-2021. From 25 retailing companies, 20 companies were sampled in this study. The data of this study were then analyzed using multiple linear regression analysis.

Based on the results of testing the hypothesis through the F test, profitability, liquidity, and leverage variables simultaneously affect financial distress. Furthermore, the t test proves that the profitability and liquidity variables have a significant positive effect on the financial distress. Leverage variable has a significant negative effect on the financial distress.

Keywords: financial distress, profitability, liquidity, leverage. retail companies