ABSTRACT

The purpose of this research is to analyze the relationship between Altman Z-Score variables, that consist of Working Capital to Total Assets (WCTA), Retained Earnings to Total Assets (RETA), Earnings Before Interest and Tax to Total Assets (EBITTA), Market Value Equity to Total Liabilities (MVETL), and Sales to Total Assets (SATA) and Financial Distress. In addition, Leverage is used as moderating variable.

This research using secondary data derived from the financial statements of manufactory companies listed on the Indonesian Stock Exchange (BEI) in 2016-2018. The population of this research is all manufactory companies listed on Indonesia Stock Exchange in the year 2016-2018 as many as 183 companies and obtained a sample 68 companies by purposive sampling method. The analytical method used is logistic regression analysis with SPSS 25.

*The results of this research indicate that before using moderating variables, Working Capital to Total Assets (WCTA), Retained Earnings to Total Assets (RETA), and Earnings Before Interest and Tax to Total Assets (EBITTA) have negative significant effect on Financial Distress. Market Value Equity to Total Liabilities (MVETL) have positive significant effect on Financial Distress, but Sales to Total Assets (SATA) have insignificant effect on Financial Distress. By using Leverage as moderating variables, the results show that Retained Earnings to Total Assets (RETA) has a positive and significant effect on Financial Distress. Meanwhile, Working Capital to Total Assets (WCTA), Earnings Before Interest and Tax to Total Assets (EBITTA), Market Value Equity to Total Liabilities (MVETL), and Sales to Total Assets (SATA**)** has insignificant effect on Financial Distress. However, the moderating variable Leverage in predicting financial distress shows a better simultaneous effect than without the moderating variable Leverage.*

Keywords: *Financial Distress, Bankruptcy, Altman Z-Score Variables, Leverage.*