

### **ABSTRACT**

*Every company must be able to maintain its business continuity in order to avoid financial difficulties. Financial difficulties are events where the company's financial position decreases can be seen from the company's inability to fulfill its obligations.*

*Every company must check for bankruptcy early, so there are no financial difficulties. There are several causes of financial distress including operating cash flow, leverage ratios and sales growth.*

*The purpose of this study is to determine how the influence of operating cash flow, leverage and sales growth ratios on the occurrence of financial distress in the textile and garment subsector companies listed on the Indonesia Stock Exchange in 2015-2018.*

*The research method used in this study is a quantitative method. While the data collection techniques used in this study are purposive sampling. The population in this study is the textile and garment subsector companies listed on the Indonesia Stock Exchange in 2015-2018 as many as 14 companies in a period of 4 years so as to produce 56 samples. This study uses panel data regression analysis techniques and was tested using Eviews software version 10.*

*Simultaneous variable operating cash flow, leverage, and sales growth have a significant effect on financial distress. And then, leverage has a significant effect on financial distress. While the operating cash flow and sales growth partially did not have significant effect on financial distress.*

**Keywords:** *Financial Distress, Leverage, Operating Cash Flow, Sales Growth*