

ABSTRACT

Financial distress can be defined as a process of decreasing the financial condition experienced by a company continuously before bankruptcy occurs in the company. The mining sector has an important contribution to economic growth in Indonesia. But in the other side, the mining sector is most delisted sectors in Indonesia Stock Exchange due to the company's poor financial condition throughout the last 4 (four) years.

This study aims to determine the effect of profitability, firm age and price earning ratio on financial distress reception in mining sector companies in 2015-2018 both simultaneously and partially.

The method in this study is a quantitative research method. The sampling technique in this study used a purposive sampling technique that obtained 38 research samples with an observation period of 4 years, so that 152 sample units were obtained. Data analysis method used in this study is logistic regression analysis using SPSS 22 software.

The results of this study indicate that profitability, firm age and price earning ratio simultaneously affected financial distress. Partially, profitability and firm age affected financial distress negatively, while price earning ratio has no effect on financial distress.

Based on the results of the study, for further research it is expected to increase the research time period, try different research objects, add other variables and try different proxy for financial distress.

Keywords: financial distress, profitability, firm age, price earning ratio.