

ABSTRACT

Businesses within all sectors encounter the peril of financial distress, particularly during and after a crisis. The sector, despite frequently experiencing considerable economic uncertainty, holds a vital function. Consequently, it is essential to comprehend how financial variables such as liquidity, leverage, activity, and profitability can influence a business's financial condition. This study examines the impact of these ratios on initiatives to mitigate financial stress risk.

The primary aim of this study is to ascertain the relationship between liquidity, leverage, activity, profitability and the degree of financial stress in transportation and Logistics. This research intends to provide strategic ideas for company management in overcoming financial difficulties.

This research employs quantitative analysis utilizing multiple regression techniques. The data used originates from the financial statements of transportation and Logistics companies registered on the Indonesia Stock Exchange during and after the crisis. As part of the data collection, information on liquidity, leverage, activity, and profitability ratios was collected and processed for statistical analysis.

The results are expected to reveal that leverage and liquidity ratios have a strong influence on the amount of financial distress; profitability and liquidity ratios also have a major influence. Although the effect is not as great as the other measures, the company's operating activities are found to play a function in financial condition. These results provide a clear knowledge of the main aspects that firms should pay attention to to lessen the risk of financial distress.

This research supports the company's management in establishing risk mitigation plans. This study contributes to the existing body of research on financial analysis within the transportation and Logistics sector. In addition, this research includes advice for stakeholders on how to enhance their financial management. One idea for future research is to learn more about other external components that can affect financial hardship as well as employ case studies to acquire a banter understanding of successful mitigation measures.

Keywords: Risk Financial distress, Liquidity, Leverage, Activity, Profitability