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Original Research Article

Financial Distress of Transportation Companies in Indonesia before and After COVID 19

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Abstract

This study aims to prove empirically the effect of profitability, solvability, and liquidity on financial distress in transportation and logistics companies in Indonesia. The study population consisted of transportation and logistics companies listed on the Indonesia Stock Exchange for 2018 and 2019 compared to 2020 and 2021. The research sample of 22 companies was obtained by purposive sampling method. This study uses an associative quantitative study method by testing the effect of the dependent variable independently and conducting a comparative test before and during covid 19. The results show that profitability, solvability, and liquidity variables have a significant effect on financial distress before covid 19. The results are different during the period Observations during covid 19, profitability and liquidity variables have a significant effect, but solvability variables have no significant effect on financial distress in transportation and logistics companies in Indonesia. This research shows that the conditions during covid 19 affect the company's solvency along with changes in macroeconomic conditions in Indonesia.

Keywords: Financial distress; comparative; liquidity; profitability; solvability.

INTRODUCTION

The Covid 19 pandemic hit Indonesia from mid-2019 until 2021. This condition resulted in a decline in the income of several business sectors because it was affected by several government policies as a whole. The Government's Policy on the Implementation of Restrictions on Community Activities is implemented almost completely in the territory of Indonesia and limits the community's space for movement. Community mobility is reduced due to the Implementation of Large-Scale Social Restrictions. People are reluctant to travel by land, air, or sea because they have to meet strict requirements and regulations that bind them, thus affecting the business of the transportation sector. In 2020, the transportation and logistics sector companies experienced a drastic decline. Several public transportation companies temporarily stopped their fleets due to the lack of passengers, so the company's operational activities stopped.

According to data from Badan Pusat Statistik (BPS) in Figure 1 recorded growth in the transportation and logistics business contracted by 15.4% throughout 2020. This sector was declared the worst off compared to other types of business. The transportation and logistics business affected the decline in Gross Domestic Product (GDP) in 2020 by -0.64%, even though the previous growth in 2019 was able to contribute to an increase in GDP of 0.27% with a growth of 6.39%. BPS recorded a decline in domestic airplane passengers by 32.4 million people throughout 2020, down by 57.6% compared to 2019 which reached 76.7 million people. International airplane passengers are only 3.7 million people, down 80.81% compared to 2019 which reached 18.7 million people. Rail transport also contracted the second highest with 42.34%. Train passengers fell drastically to 186.1 million people or 56.40% throughout 2020. Meanwhile, sea transportation experienced a not-so-much contraction of 4.57%, although the number of sea transportation passengers also decreased by 40.66% throughout 2020. to 14.2 million people (Dimas Jarot Bayu, 2021).

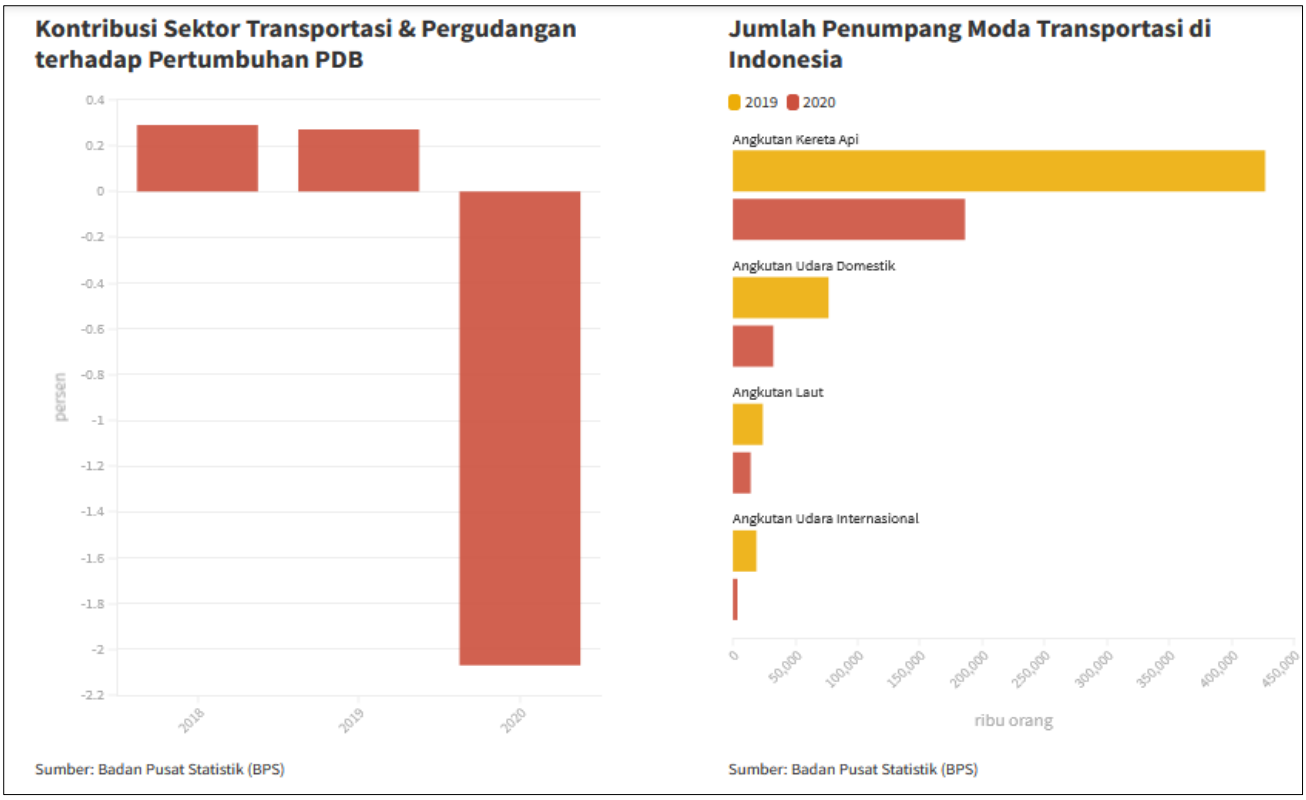

Figure 1: Transportation conditions in Indonesia 2019 - 2020
Source: Indonesia Statistics Center (2020)

Business income in the transportation sector has decreased so that it becomes an interesting phenomenon to study, if this condition continues it will have an impact on financial difficulties or even business bankruptcy (Nugroho & Mawardi, 2012; Hery 2016; Radoni et al., 2010). Liquidity difficulties are the company's inability to pay its financial obligations at maturity which causes the company's bankruptcy (Hanafi, 2007). This condition can be prevented if the financial statements are analyzed more carefully to determine company policies. Analysis can also be done by comparing the performance of one period with the previous period. In addition, it can also be done by comparing with similar companies so that it can be seen how the company's position in the industry (Darsono, et al, 2005). The measuring tool to determine a business's bankruptcy can use financial distress developed by Grover (2001) which is an update of the Altman Z-Score model. In addition to measuring using the Grover method, it is also necessary to analyze taking into account other financial ratios. Other financial ratios will be used to clarify the conditransportation sector's condition by knowing their ability, solvency, and liquidity level. Declining financial performance can be seen in financial ratios (Fahmi, 2017; Hery, 2016; Kasmir, 2017; Martono and Harjito, 2011).

One of the ratios commonly used in financial performance analysis is the profitability ratio, which is a ratio to assess the company's ability to earn cashmere profits, 2019; Martono and Harjito, 2011). Horne, James; Machowicz (2005) divides profitability ratios into two types, namely profitability ratios based on sales and profitability ratios based on investment, together, these ratios indicate overall operational effectiveness.

Meanwhile, the solvency ratio is a financial ratio that can be used to measure the company's ability to meet its long-term obligations. Martono and Harjito, 2011; Asnawi, 2017; Cashmere, 2019). One of the objectives of the solvency ratio is to assess the company's ability to fulfill obligations to other parties and make decisions on the use of further sources of funds. This study also uses the liquidity ratio, which is used to measure the ability of a company's current assets to cover its current liabilities (Kasmir, 2019; Martono and Harjito, 2011).

Several empirical studies have proven that financial ratio analysis is quite effective in measuring a company's financial performance. Cheissentia and Syarief (2018) in their research show that solvency has a positive effect on financial distress. Nurhayati and Aprilio (2020) revealed that the solvency ratio has a significant influence on financial distress conditions. Maarif (2019) who examines the effect of profitability and liquidity in predicting financial distress in property and real estate companies shows that liquidity does not affect financial distress, while profitability affects financial distress. Susanti (2020) examines the effect of profitability and liquidity on financial distress in retail companies, the results of the study show that

profitability has a positive effect while liquidity hurts financial distress. Rafsyanjani & Wuryani (2021) analyzed the stock prices of transportation companies on the IDX before and after Covid-19, the data used is the average stock price of 40 transportation companies on the Indonesia Stock Exchange 31 days before and 31 days after the announcement of the first Covid-19 case in Indonesia. The results showed a significant difference in stock prices before and after the first case of COVID-19 was announced. This study is different because it compares the effect of profitability, solvency, and liquidity on the financial distress of transportation and logistics companies before and during covid 19.

RESEARCH METHOD

This type of quantitative associative research by analyzing the relationship between the independent variables profitability, solvability, and liquidity with the dependent variable financial distress. This study is different because it analyzes the comparative test before and during covid 19 (Sugiono, 2018). The population used in this study are transportation and logistics companies listed on the Indonesia Stock Exchange in the period before Covid 19 in 2018 and 2019 compared to the period during covid 19 in 2020 and 2021. The sample selection in this study used the purposive sampling method with certain criteria.

Table 1: Research Sample Criteria

No	Sample Criteria	Amount
1	Transportation and logistics sub-sector companies listed on the IDX in 2018-2021	28
2	Companies that do not publish an annual report published on the IDX in 2018-2021	(4)
3	Companies that have complete data related to the variables used in the study	(2)
4	Amount	22

Source: Indonesia stock exchange (2021)

Table 1 shows that 22 companies in the transportation and logistics sector meet the research criteria. This amount is considered to have met the research criteria because it uses a span of observation in 2 years (22 X 2) = 44 observations. The minimum requirement for the number of samples with regression analysis is at least 30 observations (Kerlinger and Lee, 2000). The sample companies in this study were 22 companies that published financial reports for 2018 - 2019 (before covid) and financial statements for 2020 - 2021 (after covid). The following are the names of the companies that are the objects of research in Table 2.

Table 2: Transportation and Logistics Company Research Sample

No	Company Code	Company Name
1	AKSI	PT. Mineral Sumberdaya Mandiri Tbk
2	ASSA	PT. Adi Sarana Armada Tbk
3	BLTA	PT. Berlian Laju Tanker Tbk
4	BPTR	PT. Batavia Prosperindo trans Tbk
5	CMPP	PT. AirAsia Indonesia Tbk
6	HELI	PT. Jaya Trishindo Tbk
7	IATA	PT. MNC Energy Investment Tbk
8	KJEN	PT. Krida Jaringan Nusantara Tbk
9	LRNA	PT. Eka Sari Lorena Transport Tbk
10	MIRA	PT. Mitra International Resources Tbk
11	NELI	PT. Pelayaran Nelly Dwi Putri Tbk
12	PURA	PT. Putra Rajawali Kencana Tbk
13	SAFE	PT. Steady Safe Tbk
14	SAPX	PT. Satria Antaran Prima Tbk
15	SDMU	PT. Sidomulyo Selaras Tbk
16	SMDR	PT. Samudera Indonesia Tbk
17	TAXI	PT. Express Trasindo Utama Tbk
18	TMAS	PT. Temas Tbk
19	TNCA	PT. Trimuda Nuansa Citra Tbk
20	TRUK	PT. Guna Timur Raya Tbk
21	WEHA	PT. WEHA Transportasi Indonesia Tbk
22	BIRD	PT. Blue Bird Tbk

Source: Indonesia stock exchange (2021)

The formula used to measure the financial distress of the Grover model:

G = 1,651 X_1 + 3,404 X_2 – 0,016 ROA + 0,057

Profitability formula (Martono and Harjito, 2011):

$$ROE = \frac{Earning\ after\ tax}{Equity}$$

Solvability formula (Martono dan Harjito, 2011) :

$$DER = \frac{Long\ Term\ Debt}{Equity}$$

Liquidity Formula (Martono dan Harjito, 2011):

$$CR = \frac{Current\ Asset}{Current\ Liabilities}$$

The research data is secondary data. The data analysis technique was carried out using descriptive statistics. Descriptive statistical analysis was chosen to provide a summary and informative data presentation (Lind et al., 2019). This study's descriptive statistical components consist of the maximum value, minimum value, standard deviation, and mean. Technical analysis of data using discriminatory analysis using multiple linear regression analysis, coefficient of determination test, partial test, and comparative test. The research data uses secondary data by taking data on the Indonesia Stock Exchange for the period 2018 to 2021 which is obtained through the website, namely www.idx.co.id. The method used in research before and during covid is manual. The results of statistical tests were compared before and during covid 19, then the differences were analyzed.

RESULT AND DISCUSSION

Description of data

Profitability Using Return on Equity (ROE) Ratio.

The independent variable (X1) in this study is profitability with a measuring instrument determined using return on equity (ROE). This ratio is used to measure the company's ability to earn a return on its capital. This ratio shows how much the company's capital can provide profits as expected by investors.

Before Covid 19, The results of the ROE calculation, show that the average return on equity (ROE) for transportation and logistics companies listed on the Indonesia Stock Exchange before covid increased in 2018 by 13.75%, and in 2019 it decreased by 4.21%. , there is a decrease of 5.33%. This decrease was due to the average decrease in net profit generated by the company but its equity increased. The results of the average negative ROE calculation are found in the company PT. MNC Energy Investment Tbk, PT. Eka Sari Lorena Transport Tbk, PT. Mitra International Resources Tbk, PT. Satria Antaran Prima Tbk, PT. Samudera Indonesia Tbk.

During covid 19, the average return on equity (ROE) of transportation and logistics companies listed on the Indonesia Stock Exchange in 2020 is -23.17%, while in 2021 it will increase by 42.87%, while the average is 9.85%. This increase was due to an increase in net income followed by an increase in equity. The higher this ratio, the better the state of the company. If the company has a high ROE value, then the risk of financial distress is getting smaller.

During covid 19, the results of the calculation of the average ROE with negative values are found in four (4) companies that were negative before covid 19, as follows: PT. MNC Energy Investment Tbk, PT. Eka Sari Lorena Transport Tbk, PT. Mitra International Resources Tbk, PT. Satria Antaran Prima Tbk. Five (5) companies before covid 19 ROE positive to negative as follows: PT. Krida Jaringan Nusantara Tbk, PT. Trimuda Nuansa Citra Tbk, PT. Guna Timur Raya Tbk, PT. WEHA Transportasi Indonesia Tbk and PT. Blue Bird Tbk.

Solvability Using Debt to Equity Ratio (DER)

The independent variable (X2) in this study Solvability with a measuring instrument Debt to Equity Ratio (DER) is a financial ratio used to measure the company's source of funding that comes from debt. This ratio shows the comparison between total debt and total equity owned by the company.

Before covid 19, the calculation result of the average debt to equity (DER) in transportation and logistics companies listed on the Indonesia Stock Exchange, in 2018 was 17.96% and in 2019 it was 75.64%, 2018-2019 before covid 19 there is an increase of 57.68 percent, while the average is 46.80 percent. This increase was due to the average use of the company's debt being greater than the existing equity. Companies with negative DER values are PT. Steady Safe Tbk, and PT. Express Trasindo Utama Tbk.

During covid 19, the average debt to equity ratio (DER) in transportation and logistics companies listed on the Indonesia Stock Exchange in 2020 was 128.52% and in 2021 there was a decrease of -385.66%, an average decline of 128.57%. Changes appear after covid 19, namely: PT. AirAsia Indonesia Tbk, PT. Steady Safe Tbk, PT. Sidomulyo Selaras Tbk and PT. Express Trasindo Utama Tbk. Before covid 19 there were two (2) companies and during covid 19 there were four (4) companies whose DER was negative.

Debt to equity ratio (DER) that is too high will adversely affect the company's performance because the higher the debt level indicates the company's interest expense, the greater the financial risk borne by the company and the impact of experiencing financial distress. On the other hand, if the DER is negative, it indicates that the company has accumulated losses that exceed its total equity.

Likuidity Using Curent Ratio (CR)

The independent variable (X3) in this study is liquidity with a measuring instrument current ratio (CR)

is a financial ratio used to measure the liquidity position of the company by comparing current assets and current liabilities. This calculation is intended to determine the level of the company's ability to meet its short-term obligations with the company's liquid assets. The current ratio (CR) is the most commonly used measure to determine the company's ability to meet its current obligations.

Before covid 19, the results of the calculation of the average current ratio (CR) for transportation and logistics companies listed on the Indonesia Stock Exchange in 2018 were 399.98%, and in 2019 it was 191.37%, there was a decrease of 208.61%. This decrease was due to the average company experiencing a decrease in current assets and was not proportional to the average current debt.

During covid 19, the results of the calculation of the average current ratio (CR) for transportation and logistics companies listed on the Indonesia Stock Exchange in 2020 were 137.97% in 2021 at 166.62%, there was an average increase in CR of 28,65%. The average CR before covid was 295.68% and during covid 19 there was a decrease of 152.30%.

An increasing current ratio (CR) indicates the company's ability to meet short-term debt obligations at maturity by using available current assets. If the company can pay off its short-term obligations properly, the possibility of experiencing financial distress is getting smaller. However, if the current ratio decreases due to a large increase in current debt compared to current assets, if this is ignored, it is likely to experience financial distress.

Financial Distress

The dependent variable (Y) in this study is financial distress, which is a condition where there is an indication of a decline in financial performance before bankruptcy occurs. Prediction of financial distress is used to determine the company's financial condition as early as possible so that actions can be taken to anticipate conditions that lead to bankruptcy.

Before covid, the average value of financial distress in transportation and logistics companies listed on the Indonesia Stock Exchange before covid in 2018 was 41.43% in 2019, at 0.8%, there was a decrease of 40.63%. there are ten companies whose financial condition is not healthy (financial distress) because it has an average value of G -0.02, namely the company PT. Adi Sarana Persada, PT. Batavia Prosperindo Trans, PT. Air Asia Indonesia, PT. MNC Energy Investment, PT. Eka Sari Lorena Transport, PT. Steady Safe, PT. Sidomulyo Selaras, PT. Express Transindo Utama, PT. Temas and PT. WEHA Transportation Indonesia. While the other 12 companies are categorized as not bankrupt or healthy because they have a G value of 0.01. Based on observations that Covid 19 started to appear in October 2019, transportation companies have been affected, although there is no policy on closing the area. This condition can be triggered by public fear of the transmission of this pandemic outbreak.

During covid, the average value of financial distress in transportation and logistics companies listed on the Indonesia Stock Exchange during covid decreased compared to 2020 by -40.31% but in 2021 there was an increase of 25.32%. In 2021 the calculation results have shown positive, although there are nine companies whose financial condition is not healthy (financial distress) because they have an average value of G -0.02, namely PT. Batavia Prosperindo Trans, PT. Air Asia Indonesia, PT. MNC Energy Investment, PT. Eka Sari Lorena Transport, PT. Mitra International Resources, PT. Steady Safe, Sidomulyo Selaras, PT. Guna Timur Raya and PT. WEHA Transportation Indonesia. While the other 13 companies are categorized as not bankrupt or healthy because they have a G value of 0.01.

Descriptive Statistical Analysis

The companies that are the object of this research are transportation and logistics companies listed on the Indonesia Stock Exchange. The overall data in this study is secondary data obtained from financial statements taken from the official website of the Indonesia Stock Exchange (www.idx.co.id) and the official websites of the 22 companies that were the research sample. This study uses descriptive statistics to analyze and describe the data to describe the condition of the object under study (Sugiyono, 2007).

Table 3: Descriptive Statistical Analysis Before and during Covid 19

Descriptive Statistics

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
ROE	44	-.779	1.431	.05887	.361174
DER	44	-7.940	11.928	.52847	2.773746
CR	44	.133	39.974	2.96700	6.448544
FD	44	-3.708	11.844	.21100	2.091605
Valid N (listwise)	44				

Descriptive Statistics

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
ROE	44	-5.596	5.142	.09841	1.235097
DER	44	-90.298	21.901	-1.24520	14.222814
CR	44	.025	7.056	1.52970	1.626780
FD	44	-3.830	8.005	-.07534	1.698342
Valid N (listwise)	44				

Source: processed data (2021)

Table 3 shows the results of descriptive statistical analysis before and during covid 19. Table 1 shows the amount of data used in this period as many as forty-four (44) data samples were taken from the Indonesia Stock Exchange which is accessed through the website www.idx.co.id.

Descriptive Statistical Analysis Profitability

Profitability using the Return on Equity (ROE) before covid 19 has an average value of 0.0589, with a minimum value of -0.779. Meanwhile, during covid 19, the average value was 0.0984, with a minimum value of -5.596. The average value increased by 0.0395 while the minimum value decreased by -4.817, this condition shows that several transportation and logistics companies in Indonesia experienced a decrease in the ability to manage investor funds during the covid 19 period. Different things happened before covid 19 the maximum value was 1.431, while during covid 19 it was 5,142, and there was an increase of 3,711. The increase could occur because in mid-2021 several transportation companies began operating normally so that they were able to manage investor funds well. Analysis of ROE is an important concern for shareholders because it shows the company's ability to manage investor funds (Helbert, 2000).

Descriptive Statistical Analysis Solvability

Solvability using the Debt Equity Ratio (DER) measuring instrument, before covid 19 had an average value of 0.5285, with a minimum value of -7.940. Meanwhile, during covid, the average value is -1.245; with a minimum value of -90.298. The average value decreased by - 1.7735 while the minimum value decreased by - 82,358, a fairly large decrease indicating that the company had accumulated losses that exceeded its equity (Mundrajad Kuncoro. 2016). Things are different, it can be seen that the maximum value before covid 19 was 11,928 and during covid 19 it was 21,901. There is an increase in the maximum value of 9.073. During the COVID-19 period, the company had a high financial risk with a lower ability to pay debts because it had a larger amount of debt compared to its assets (Hery, 2017).

Descriptive Statistical Analysis Liquidity

Liquidity using the Current Ratio (CR) measurement tool before covid 19 had an average value of 2.9670, with a minimum value of -0.133. During covid 19, the average value was 1.5297 while the minimum value was 0.025. The average value decreased by 1.4373 while the minimum value increased by 0.108. The maximum value before covid 19 was 39,974, while during covid 19 it was 7,056. There is a maximum decrease in value of 32,918. This shows that during covid 19 the company's ability to meet its liquidity has decreased. If the CR is low, it shows that several transportation companies in Indonesia are short of capital to pay their debts (Kasmir, 2014).

Multiple linear regression analysis

To determine whether there is an influence between the independent variables consisting of return on equity (X1), debt to equity ratio (X2), and current ratio (X3) on the dependent variable of financial distress (Y), multiple regression analysis was used.

The regression equation model before covid 19 is:

$$Y = - 0{,}537 – 1{,}266\ X_1 + 0{,}022\ X_2 + 0{,}273\ X_3 + e$$

The regression equation model during covid 19 is:

$$Y = -1{,}058 + 0{,}608\ X_1 + 0{,}047\ X_2 + 0{,}642\ X_3 + e$$

Descriptive Statistical Analysis Financial Distress

Financial Distress before covid 19, the average value was 0.2110 and the minimum value was -3.708 from PT. Express Trasindo Utama Tbk. Financial Distress during covid 19 has an average value of -0.0753 and a minimum value of -3.830. The average value decreased by 3.919 while the minimum value decreased by -0.122. The maximum value before covid 19 was 11,844 while the maximum value was 8.005. There is a maximum decrease in value of 3,839. This is interesting because, during COVID-19, the risk of company bankruptcy has decreased. Financial distress is a crisis condition faced by a company where the company's financial performance is in the unhealthy category (Mas'ud & Srengga, 2015).

Table 4: T-Test Results Before and During Covid 19

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.537	.157		-3.429	.001
	ROE	-1.266	.450	-.219	-2.812	.008
	DER	.022	.057	.029	.384	.703
	CR	.273	.021	.843	13.022	.000

a. Dependent Variable: FD

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.058	.244		-4.336	.000
	ROE	.608	.237	.442	2.564	.014
	DER	.047	.020	.393	2.302	.027
	CR	.642	.114	.615	5.618	.000

a. Dependent Variable: FD

Source: processed data (2021)

The Effect of Profitability (X1) on Financial Distress (Y)

Table 4 shows that before covid 19 the t-count > t-table is 2.812 > 1.684 and has a significant level of 0.008<0.05, the first hypothesis which states that profitability (X1) has a significant effect on financial distress (Y) in transportation companies and logistics before covid 19 can be accepted. Meanwhile, during covid 19 the effect of profitability (X1) on financial distress (Y), the value of t-count > t-table is 2.564 > 1.684 and has a significant level of 0.014 <0.05, then the first hypothesis states profitability (X1) significant effect on financial distress (Y) in transportation and logistics companies during covid 19 is acceptable.

The results of the research before and during covid 19 showed that there was a significant effect of the profitability variable (X1) on financial distress (Y) both before and during covid 19 in transportation and logistics companies listed on the IDX. According to Kasmir (2008), this ratio shows the efficiency of the use of own capital, where the higher the profitability value, the better. This means that the higher the profit generated from the number of funds invested it reflects the company's financial health condition or is far from financial distress. However, if profitability is high, it means that the company must pay high dividends as well which will reduce the company's profit. Another impact is reduced profits, the company is very unlikely to get high profits. If this situation is not considered, then the company is at risk of financial distress. The results of this study are in line with Syamsul's (2019) research which states that profitability has an effect on financial distress in property and real estate companies listed on the IDX.

The Effect of Solvability (X2) on Financial Distress (Y)

Table 4 shows that before covid 19 the t-count value < t-table is 0.384 < 1.684 and has a significant level of 0.703 > 0.05, the second hypothesis states that solvency (X2) has a significant effect on financial distress (Y) in transportation companies. and logistics before covid 19 is unacceptable. Meanwhile, during covid 19 the t-count > t-table is 2.564 > 1.684 and has a significant level of 0.014 <0.05, the first hypothesis which states that profitability (X1) has a significant effect on financial distress (Y) in transportation and logistics companies during covid 19 is acceptable.

The results of the research before covid 19 showed that the solvency variable (X2) did not affect financial distress (Y) in transportation and logistics companies listed on the IDX. While the results of the research during covid 19 showed that the solvency variable (X2) had an effect on financial distress (Y) in transportation and logistics companies listed on the IDX. According to Kasmir (2008) and Rudianto (2013) that the greater the solvency, the more unprofitable it will be because of the greater the risk borne for failures that may occur in the company. This shows that if the company has a lot of debt, it means the company is experiencing high financial risk. Thus, the company's ability to pay its debts will be lower and the risk of experiencing financial distress will be higher. The results of the study are different from those before covid 19 but are the same as the research of Nurhayati and Aprilio (2020) which shows that the solvency ratio has a significant effect on financial distress.

The difference in the effect of the solvency variable (X2) on financial distress (Y) before and after covid 19 in the calculation of the DER ratio shows the average solvency of the company in 2018 and 2019 of 0.4680 while in 2020 and 2021 the DER ratio decreased to amounted to – 1.2857. This shows that the condition of transportation and logistics companies during covid 19 was affected so the increased risk of the company's failure to pay debts resulted in bankruptcy. The results also show that the company's financial condition can be measured and analyzed with various ratios and financial distress analyses (Sawir, 2000; Hanafi, 2007).

The Effect of Liquidity (X3) on Financial Distress (Y)

Table 4 shows the value of t-count > t-table which is 13.022 > 1.684 and has a significant level of 0.000 <0.05, then the third hypothesis which states that liquidity (X3) has a significant effect on financial distress (Y) in transportation and logistics companies before covid 19 is acceptable. Meanwhile, during covid 19, the t-count > t-table is 5.618 > 1.684 and has a significant level of 0.000 <0.05, the third hypothesis states that liquidity (X3) has a significant effect on financial distress (Y) in transportation companies and logistics during covid 19 is acceptable.

The results show that there are similarities in the significant effect of the liquidity variable (X3) on financial distress (Y) both before and during covid 19 in transportation and logistics companies listed on the IDX. Liquidity is one of the ratios used in assessing the level of company liquidity. The higher the liquidity, the higher the level of company liquidity. If analyzed, the results of the calculation of the value of liquidity in transportation and logistics companies listed on the Indonesia Stock Exchange before covid 19 did experience a decline in 2019, then decreased further in 2020, but in 2021 there will be an increase again, although not as big as the previous year. This is because in 2021, by the middle of the year, there will be no large-scale social restrictions and several transportation companies will start operating normally. The increase in 2021 causes the results of the study to show the similarity of the significant effect of the liquidity variable (X3) on financial distress (Y) both before and during covid 19 in transportation and logistics companies listed on the IDX. According to Kasmir (2008), liquidity is a ratio to measure the company's ability to meet short-term obligations or debts that are

due soon. This means that the higher the liquidity, the smaller the risk of the company's failure to meet short-term obligations that will soon mature so that the company avoids financial distress. The results of this study are in line with research that states that liquidity effect financial distress (Susanti., e.t.all, 2020).

CONCLUSION

This study aims to provide empirical evidence: (1) Profitability has a significant effect on financial distress before and during covid 19 on transportation and logistics companies listed on the Indonesia Stock Exchange for the 2018-2021 period, (2) Solvability has no significant effect on financial distress before COVID 19, while during covid 19 solvency has a significant effect on financial distress in the transportation and logistics companies listed on the Indonesia Stock Exchange for the period 2018-2021, (3) Liquidity has a significant effect on financial distress before and during covid 19 on listed transportation and logistics companies. on the Indonesia Stock Exchange for the period 2018-2021.

The limitation of this research is that it uses a 2 (two) year period before covid 19 (2018-2019) and during covid 19 (2020-2021). The object of research is transportation and logistics companies that go public on the Indonesia Stock Exchange. Comparative testing is carried out manually by comparing the results of statistical tests before and during covid 19. With these limitations, it becomes material for developing further research. Suggestions for further researchers, using other variables in financial ratios, expand the object of world-scale transportation companies and a longer period because the covid 19 pandemic has not ended.

Suggestions for companies are to be more optimal in managing their sources of wealth and make maximum use of debt to generate high profits but provide dividends that are not too high. Companies to be more effective and efficient in using cash and assets so that financial performance as measured by company ratio analysis is getting better and avoiding financial distress. Companies can make innovations in developing their business when the COVID-19 condition is not over. Suggestions for the government to make policies that support the development of transportation and logistics companies because, at the time of covid 19, they experienced a decline or were threatened with bankruptcy.

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