Financial Performance Analysis on Financial Distress in ASEAN Six

Masripah
Universitas Pembangunan Nasional Veteran Jakarta; Jakarta, Indonesia
E-Mail: masripah@upnvj.ac.id

Dianwicaksih Arieftiara
Universitas Pembangunan Nasional Veteran Jakarta; Jakarta, Indonesia
E-Mail: dianwicaksih@upnvj.ac.id

Submitted:
MAY 2025

Accepted:
JULY 2025

ABSTRACT

This study aims to analyze the influence of financial ratios on the likelihood of financial distress in property and real estate companies listed on the stock exchanges of six ASEAN countries, namely Indonesia, Malaysia, Thailand, Singapore, the Philippines, and Vietnam during the period 2018–2022. The variables analyzed include Total Asset Turnover, Sales Growth, Current Ratio, Debt Ratio, and Return on Investment. The method used is a quantitative approach with logistic regression, based on 1,630 firm-year observations obtained from the company's financial statements. The results of the Hosmer and Lemeshow test indicate that the initial model is not appropriate, but alternative tests through the Area Under the Curve value of 0.7728 indicate that the model has quite good predictive ability. The analysis results show that Sales Growth and Current Ratio have a significant negative effect on financial distress, while Debt Ratio has a significant positive effect. Conversely, Total Asset Turnover and Return on Investment do not show a significant effect. These findings emphasize the importance of considering aspects of liquidity, sales growth, and capital structure in predicting financial risk, especially in the property sector which has long-term investment characteristics. This research contributes to broadening the understanding of cross-border financial risk in the ASEAN region.

***Keywords**: Financial Ratios, Financial Distress, Total Asset Turnover, Sales Growth, Current Ratio, Debt Ratio, Return on Investment.*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh rasio keuangan terhadap kemungkinan terjadinya financial distress pada perusahaan properti dan real estat yang terdaftar di bursa saham enam negara ASEAN, yaitu Indonesia, Malaysia, Thailand, Singapura, Filipina, dan Vietnam selama periode 2018–2022. Variabel yang dianalisis meliputi Total Asset Turnover, Sales Growth, Current Ratio, Debt Ratio, dan Return on Investment. Metode yang digunakan adalah pendekatan kuantitatif dengan regresi logistik, berdasarkan 1.630 observasi firm-year yang diperoleh dari laporan keuangan perusahaan. Hasil uji Hosmer and Lemeshow menunjukkan bahwa model awal tidak sesuai, namun uji alternatif melalui nilai Area Under the Curve sebesar 0,7728 menunjukkan model memiliki kemampuan prediktif yang cukup baik. Hasil analisis menunjukkan bahwa Sales Growth dan Current Ratio berpengaruh negatif signifikan terhadap financial distress, sementara Debt Ratio berpengaruh positif signifikan. Sebaliknya, Total Asset Turnover dan Return on Investment tidak menunjukkan pengaruh signifikan. Temuan ini menegaskan pentingnya mempertimbangkan aspek likuiditas, pertumbuhan penjualan, dan struktur modal dalam memprediksi risiko keuangan, terutama di sektor properti yang memiliki karakteristik investasi jangka panjang. Penelitian ini memberikan kontribusi dalam memperluas pemahaman risiko keuangan lintas negara di kawasan ASEAN.

***Kata kunci**: Rasio Keuangan, Kesulitan Keuangan, Perputaran Total Aset, Pertumbuhan Penjualan, Rasio Lancar, Rasio Utang, Pengembalian Investasi.*

JIAKES

Jurnal Ilmiah Akuntansi Kesatuan
Vol. 13 No. 4, 2025
pp. 741-750
IBI Kesatuan
ISSN 2337 – 7852
E-ISSN 2721 – 3048
DOI: 10.37641/jiakes.v13i4.3537

INTRODUCTION

In recent years, fluctuations in the global economic conditions have had a significant impact on the activities and performance of companies, both large and small. One of the main effects of this condition is the increased risk of financial distress, a state of financial difficulty that could lead to bankruptcy if not addressed promptly. In addition to global economic factors, the establishment of the ASEAN Economic Community (AEC) adds competitive pressure, particularly for companies that are not yet prepared to compete regionally. Changes in market structure and competitive pressures demand that companies maintain strong financial performance in order to survive and grow in the long term.

Among the various sectors affected, the property and real estate industry is particularly vulnerable to economic shocks due to the illiquid nature of its assets and its strong dependence on macroeconomic cycles. A 2025 study by the ASEAN+3 Macroeconomic Research Office (AMRO) highlights that negative shocks in the real estate market or broader economy, such as falling property prices or a slowdown in economic activity, can intensify financial stress, while disruptions in the financial system significantly weaken both the sector and overall economic performance. The challenges facing this sector were further exacerbated by the COVID-19 pandemic in 2020, which caused a steep decline in property demand, the suspension of development projects, and a reduction in consumer purchasing power across almost all ASEAN countries. Furthermore, global crises such as the Evergrande collapse in China and the Russia–Ukraine war have added pressure on the sector through rising inflation and interest rates, making financial management even more difficult for companies in this industry.

According to a World Bank report (2020), ASEAN countries such as Indonesia, Malaysia, Thailand, Singapore, and the Philippines experienced negative economic growth during the COVID-19 pandemic. This exacerbated the financial condition of many companies, particularly in the property and real estate sectors. Although Vietnam recorded positive economic growth in 2020, the country still faced significant challenges in the property and real estate sectors, which were affected by global economic turbulence. Thus, Vietnam presents a relevant case for analysis in this study, especially concerning the property sector that could potentially face financial distress.

Financial distress is essentially an early phase leading to bankruptcy, characterized by a company's inability to meet financial obligations such as debt and interest payments. According to Altman (1968), this condition can be detected early through internal financial indicators, including asset turnover, earnings performance, liquidity, and leverage ratios. His Z-score model demonstrates that these variables are statistically significant in predicting the likelihood of corporate failure. Therefore, it is important for companies to routinely monitor their financial conditions and identify potential financial distress before it escalates.

Building upon Altman's (1968) foundational work, numerous empirical studies have sought to examine how various financial ratios influence the occurrence of financial distress. However, findings across these studies have been mixed. For instance, Diana and Yudiantoro (2023) found that Total Asset Turnover (TATO) had a significant impact on financial distress among Indonesian companies. Conversely, Lifia et al. (2020) highlighted the stronger influence of Sales Growth (SG), particularly within the Property and Real Estate sector listed on the Indonesia Stock Exchange. Meanwhile, Izzah et al. (2021) emphasized the predictive power of liquidity and leverage indicators, such as the Current Ratio (CR) and Debt Ratio (DR), in predicting financial distress. Additionally, Saji (2018) underscored the role of Return on Investment (ROI) in determining a firm's susceptibility to financial distress. Despite these insights, many of these studies are constrained by their limited geographic or industry scope.

Addressing this gap, the present study aims to analyze the impact of financial performance measured by TATO, SG, CR, DR, and ROI on financial distress within

property and real estate companies across the ASEAN Six countries, namely Indonesia, Malaysia, Thailand, Singapore, the Philippines, and Vietnam, during the period 2018-2022. By investigating the role of these indicators in a broader regional context, this research seeks to offer more comprehensive insights to support early intervention strategies and informed decision-making within a sector highly susceptible to economic fluctuations.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

Total Asset Turnover (TATO) and Financial Distress

Total Asset Turnover (TATO) is a financial ratio that measures how efficiently a company utilizes its total assets to generate revenue. This ratio is an important indicator in assessing a company's operational capabilities, particularly in relation to financial distress (Atun,2020; Hidayat et al., 2021). The higher the TATO value, the more efficiently the company manages its assets to generate revenue, thus lowering the risk of financial distress (Susanti et al., 2022). In the context of signaling theory, a high TATO provides a positive signal to investors that management is effectively managing assets. This builds market confidence and strengthens the company's financial position (Mahardika & Mulyawan, 2023; Rafli, 2025). Several studies have demonstrated a significant relationship between TATO and financial distress. Maulida et al. (2018), Izzah et al. (2021), and Diana and Yudiantoro (2023) found that TATO negatively impacts financial distress. This means that the more efficiently a company utilizes its assets, the less likely it is to experience financial distress. This is due to more stable revenue and maintained liquidity. Companies with a low TATO tend to experience operational inefficiencies, which can ultimately lead to declining revenue and an increased risk of default (Hidayat & Bintara, 2025). Therefore, TATO can be used as a predictive tool in identifying potential financial distress and become an important basis in a company's asset management strategy to maintain business continuity.

H1: Total asset turnover has a significant effect on financial distress.

Sales Growth (SG) and Financial Distress

Sales Growth (SG) is an important indicator in assessing a company's performance and business sustainability. Positive sales growth indicates a company's ability to expand its market, increase demand for its products, and implement effective marketing strategies. In the context of financial analysis, SG reflects healthy operational dynamics and future revenue potential (Dianova & Nahumury, 2019; Wangsih et al., 2021). Therefore, SG plays a crucial role in reducing the risk of financial distress, a condition in which a company experiences difficulty meeting its financial obligations. According to signaling theory, a high SG sends a positive signal to the market that the company has bright prospects and is well-received by consumers (Kholifah et al., 2023; Sugiana & Hidayat, 2023). This signal increases investor and creditor confidence, ultimately strengthening the company's financial position. High levels of trust can open wider access to financing and reduce the risk of financial distress (Dila & Ritonga, 2024; Arafah & Kusumawati, 2024). Conversely, a low SG can indicate problems with marketing strategy or product competitiveness, potentially reducing revenue and increasing the likelihood of financial distress. Empirically, findings from Amanda and Tasman (2019) and Lifia et al. (2020) support that SG has a negative effect on financial distress. This means that the higher the sales growth, the less likely a company is to experience financial distress.

H2: Sales growth has a significant effect on financial distress.

Current Ratio (CR) and Financial Distress

The Current Ratio (CR) is a key indicator for measuring a company's ability to meet its short-term obligations using its current assets (Purnomo, 2018; Restianti & Agustina, 2018; Setyawati & Amelia, 2018). This ratio reflects the company's liquidity level and is

a key indicator for assessing short-term operational stability. Companies with a high CR demonstrate sufficient current assets to cover short-term obligations, thereby reducing the likelihood of default, which can trigger financial distress (Kamaluddin et al., 2019; Indriaty et al., 2019). Therefore, maintaining adequate liquidity through a healthy CR ratio is a crucial aspect of corporate financial management. From a signaling theory perspective, a high CR sends a positive signal to creditors, investors, and other stakeholders that the company has strong liquidity capabilities (Silanno & Loupatty, 2021). This increases external trust and strengthens the company's image in the financial markets. Conversely, a low CR can indicate cash management problems or high short-term liabilities, which may increase the risk of financial distress and disrupt the company's operational continuity. Several empirical studies have also demonstrated the significant effect of CR on financial distress. Studies by Kartika and Hasanudin (2019), Dwiantari and Artini (2021), and Izzah et al. (2021) indicate that CR negatively impacts financial distress. This means that the higher the CR value, the less likely the company is to experience financial pressure.

H3: Current ratio has a significant effect on financial distress.

Debt Ratio (DR) and Financial Distress

The Debt Ratio (DR) is a ratio that describes the proportion of total debt to a company's total assets. This ratio indicates the extent to which a company relies on debt-based funding to carry out its operations. The higher the DR value, the greater the burden of fixed liabilities the company must bear, including interest and principal payments (Primasari, 2017; Supriyanto & Darmawan, 2018; Desiyanti et al., 2019). High dependence on debt increases financial risk, especially if the company's cash flow is unstable or disrupted. This condition can increase the likelihood of financial distress, which is the company's inability to meet its financial obligations. Within the framework of capital structure theory, high debt levels have the potential to increase a company's financial risk burden (Septyanto et al., 2022; Heliani & Elisah, 2022). An unbalanced capital structure, with a dominant debt portion, makes a company more vulnerable to external pressures such as declining revenues, rising interest rates, or changing market conditions. These risks can lead to serious financial difficulties if not managed properly. Therefore, DR is an important indicator in assessing a company's financial health and the potential risks it faces. Empirical findings also support a positive relationship between DR and financial distress. Research conducted by Amanda and Tasman (2019) and Izzah et al. (2021) shows that the higher the Debt Ratio, the greater the likelihood of a company experiencing financial distress.

H4: Debt ratio has a significant effect on financial distress.

Return on Investment (ROI) and Financial Distress

Return on Investment (ROI) is a crucial indicator for measuring a company's ability to generate profits from its invested capital. As a measure of profitability, ROI reflects the efficiency of a company's resource management and overall financial performance. A high ROI indicates a company's ability to effectively manage its investments and generate optimal returns, which in turn boosts investor confidence and strengthens the company's financial position (Sasongko et al., 2021). In the context of predicting financial distress, ROI is a key variable that can reflect a company's financial resilience to economic pressures. According to Saji (2018), ROI plays a significant role in the Altman Z-score prediction model, a popular tool for detecting potential corporate bankruptcy. The higher the ROI, the less likely a company is to experience financial distress, indicating healthy performance and the ability to generate consistent profits (Purwanto & Pardistya, 2021; Siswanto, 2024). On the other hand, a low ROI can be an early sign of declining operational efficiency and greater financial stress. This is crucial for managerial decision-making and investment risk evaluation. Other studies, such as those by Islamy et al.

(2021), also support this view, albeit using different profitability indicators, such as Return on Assets (ROA). They found that high profitability negatively impacts the likelihood of financial distress, particularly in companies impacted by the COVID-19 pandemic in the ASEAN region. Thus, both ROI and other profitability indicators play a crucial role in maintaining a company's financial resilience.

H5: Return on Investment (ROI) has a significant effect on financial distress.

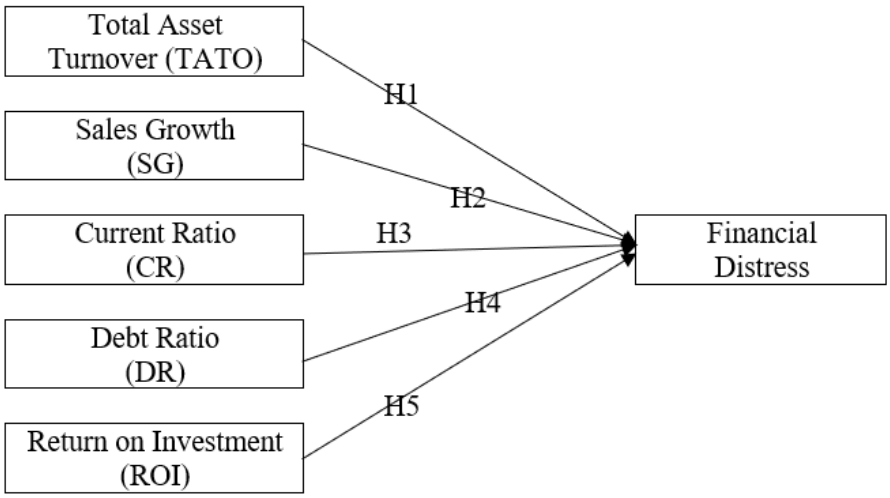

Figure 1. Research Framework

Figure 1 shows a research framework that illustrates the relationship between several financial variables and financial distress in a company. The identified independent variables include Total Asset Turnover (TATO), Sales Growth (SG), Current Ratio (CR), Debt Ratio (DR), and Return on Investment (ROI). Each variable has a hypothesized influence on financial distress, indicated by hypotheses H1 to H5. TATO (H1) reflects the efficiency of asset utilization, while SG (H2) indicates sales growth. CR (H3) measures liquidity, DR (H4) assesses the level of dependence on debt, and ROI (H5) indicates returns from investment. This framework assumes that changes in these variables can significantly affect financial distress, which is the main dependent variable in this study.

RESEARCH METHODS

This study employs a quantitative approach to examine the impact of financial variables on the likelihood of financial distress in property and real estate companies listed on the stock exchanges of ASEAN countries, including Indonesia, Malaysia, Thailand, Singapore, the Philippines, and Vietnam, from 2018 to 2022. The population in this study consists of publicly listed property and real estate companies in several ASEAN countries, namely Indonesia, Malaysia, Thailand, Singapore, the Philippines, and Vietnam, during the period of 2018–2022. The sample data used in this study comprises 1.630 firm-year observations. The data source is secondary data in the form of financial reports obtained from the official websites of each country's stock exchange, namely the Indonesia Stock Exchange (IDX), Bursa Malaysia (MYX), Stock Exchange of Thailand (SET), Philippine Stock Exchange (PSE), Singapore Exchange (SGX), and Ho Chi Minh Stock Exchange (HOSE) in Vietnam.

This study is designed using a quantitative approach with the logistic regression analysis method to examine the effect of financial variables on the likelihood of financial distress in property and real estate companies in the ASEAN region. The model testing is carried out through several stages. First, the model fit is assessed using Hosmer and Lemeshow's Goodness of Fit Test to evaluate the suitability of the logistic regression model with the data. If the test results indicate that the model is not a good fit, an alternative test using Pearson's Chi-square and ROC Curve (AUC) is conducted to assess

the model's predictive ability. Furthermore, a model significance test is performed simultaneously using the Likelihood Ratio (LR) Chi-square test to examine the joint effect of all independent variables on financial distress. Then, a partial test (Wald test) is conducted to measure the individual significance of each independent variable on the dependent variable. To ensure that there are no multicollinearity issues among the independent variables, a multicollinearity test is also conducted by observing the Variance Inflation Factor (VIF) values. All data analysis processes are performed using statistical software such as STATA and Microsoft Excel.

RESULTS

Descriptive statistics of the variables used in this study, which include Financial Distress, Total Asset Turnover (TATO), Sales Growth (SG), Current Ratio (CR), Debt Ratio (DR), and Return on Investment (ROI). Based on the table, the average percentage of companies experiencing financial distress is around 25.95%, which indicates that almost a quarter of the total sample faced financial distress during the observation period. This reflects the relatively high level of risk in the property and real estate industry in the ASEAN region. The Total Asset Turnover (TATO) variable has an average value of 0.189 with a standard deviation of 0.245. The minimum value of -0.026 and the maximum of 3.25 indicate a disparity in asset utilization efficiency between companies, with most showing a low level of efficiency, while some show very high efficiency.

Table 1. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Financial Distress	1630	0.259509	0.438499	0	1
TATO	1630	0.188856	0.245011	-.025645	3.25017
SG	1630	0.301286	2.392905	--24.16141	61.53571
CR	1630	3.12263	4.841556	0.057195	86.64706
DR	1630	0.427555	0.230630	0.001486	1.194888
ROI	1630	0.022807	0.107927	-3.408	0.605926

Sales Growth (SG) has an average value of 0.301 with a standard deviation of 2.393. The wide range from -24.16 to 61.54 reflects high volatility in sales growth, likely driven by market dynamics and business cycles within the property industry. The Current Ratio (CR) shows an average of 3.123 and a standard deviation of 4.842, with a minimum value of 0.057 and a maximum of 86.65. This broad range indicates that while some companies maintain very high liquidity, others are facing serious liquidity issues. The Debt Ratio (DR) records an average of 0.428 with a moderate standard deviation of 0.231, suggesting that, on average, companies in this sector carry a relatively high proportion of debt relative to their total assets. Lastly, Return on Investment (ROI) has an average of 0.023 and a standard deviation of 0.108, with values ranging from -3.408 to 0.606. The low and even negative ROI in some firms indicates that many companies are unable to generate optimal returns on their investments, with some even incurring losses. Overall, these descriptive statistics highlight the significant variability in the financial condition of property and real estate companies in the ASEAN region. The substantial disparities across key financial variables suggest that both internal factors such as liquidity and capital structure and external factors such as market conditions play critical roles in determining a company's financial resilience.

The model feasibility test in this study was conducted using the Hosmer and Lemeshow Goodness-of-Fit Test to assess the suitability of the logistic regression model to the data used. The test results showed that the model did not fit the data, indicated by a p-value below the threshold of 0.05. This indicates that there is a significant difference between the observed data and the predictive model, so the initial model is considered inadequate to represent the data as a whole. In response to these results, this study continued the model feasibility evaluation with an alternative approach, namely, using the Receiver Operating Characteristic (ROC) Curve. The ROC test results showed that the resulting Area Under the Curve (AUC) value was 0.7728. This value indicates that

the model has a fairly good predictive ability in distinguishing companies experiencing financial distress from those that are not. In the context of predictive analysis, an AUC value above 0.70 is considered adequate and indicates a fairly high model classification accuracy. Thus, although the results of the Hosmer and Lemeshow Test indicate a mismatch of the initial model, the high AUC value of the ROC Curve is the basis for retaining the model in this study. This model is still considered suitable for use in analyzing the influence of financial variables on the possibility of financial distress in property and real estate companies in the ASEAN region.

Table 2. Results of the Regression Test

Variable	Regression Model Coef.	Regression Model Z	Regression Model P > |z|
(constant)	-0.735246	-3.68	0.000
TATO	-0.272951	-1.09	0.274
SG	-0.075992	-1.69	0.091*
CR	-0.561068	-9.28	0.000***
DR	1.900485	6.30	0.000***
ROI	0.486189	0.91	0.364
Observation		1630	
Prob > Chi2		0.0000	
Pseudo R2		0.1460	

The results of the multicollinearity test show that all variables have VIF values below 10, with an average VIF of 1.07. This indicates that there is no multicollinearity problem among the independent variables in the model. Based on the logistic regression results, the LR Chi2 value is 272.57 with Prob > Chi2 = 0.0000. This indicates that the model is simultaneously significant in influencing the likelihood of financial distress. The Pseudo R2 value of 0.1460 indicates that the model is able to explain 14.60% of the variation in financial distress. Although the value is not high, it is still within a reasonable range for socio-financial research, which generally has a lower pseudo R2 value compared to R2 in linear regression. Based on Table 2, the results of the Wald test for each variable show that the variables Sales Growth (SG), Current Ratio (CR), and Debt Ratio (DR) have a significant effect on financial distress. Sales Growth (SG) and Current Ratio (CR) have a significant negative effect, while Debt Ratio (DR) has a significant positive effect. Other variables, namely Total Asset Turnover (TATO), Sales Growth (SG), and Return on Investment (ROI), did not have a significant effect.

DISCUSSION

Total Asset Turnover (TATO) reflects a company's efficiency in utilizing its assets to generate revenue. Logistic regression analysis in this study shows that Total Asset Turnover (TATO) does not have a significant effect on financial distress among property and real estate companies listed on ASEAN stock exchanges during the 2018–2022 period. This implies that even companies with high TATO levels do not necessarily indicate financial stability or the ability to avoid financial distress. This finding is consistent with studies by Dirman (2021) and Hidayat & Bintara (2025), which also found that TATO does not affect financial distress. The diversity of managerial practices and accounting policies across ASEAN countries may also affect the validity of TATO as a predictive indicator in a cross-country context (Handayani et al., 2029; Novitalia & Akhyar, 2023; Agustin & Bertuah, 2024).

Sales Growth (SG) has a negative impact on financial distress, indicating that strong sales growth helps companies mitigate the likelihood of financial distress. The COVID-19 pandemic significantly impacted demand for property products, but several companies with flexible and innovative product portfolios managed to mitigate this impact by maintaining or even increasing their sales. The COVID-19 pandemic also demonstrated that companies with rapid marketing adaptation and digital capabilities performed better, leading to increased sales and a reduced risk of financial distress (Hadi & Tanjung, 2020). The Current Ratio (CR) reflects a company's ability to meet its short-term obligations. A

high CR indicates stable liquidity, which can help prevent financial distress. This is supported by a study by Dwiantari and Artini (2021), which found that liquidity, as measured by the Current Ratio, had a significant negative effect on financial distress in property and real estate companies listed on the Indonesia Stock Exchange during the 2017–2019 period. This suggests that the higher a company's liquidity, the lower the likelihood of it experiencing financial distress.

The Debt Ratio (DR) indicates the extent to which a company relies on debt in its capital structure. The higher the DR, the greater the proportion of external funding, which increases the risk of interest expense and default. Amanda and Tasman (2019) and Izzah et al. (2021) state that high levels of leverage tend to make companies more vulnerable to financial stress, especially when operating cash flow is disrupted. This is particularly relevant in the context of the COVID-19 pandemic, where many companies experienced drastic revenue declines and struggled to meet their debt obligations. In the long term, managing a balanced capital structure is crucial for companies to maintain financial flexibility and withstand external pressures. An excessively high Debt Ratio not only reflects a heavy burden of fixed liabilities but also sends a negative signal to investors about the company's financial condition.

Return on Investment (ROI) reflects a company's ability to generate profits from its investments. In the property and real estate industry, a high ROI is generally interpreted as a positive signal of management's success in managing projects and assets. However, research findings indicate that ROI had no significant impact on the likelihood of financial distress among property and real estate companies listed on ASEAN stock exchanges during the 2018–2022 period. Differences in accounting practices, economic conditions, and regulatory frameworks across ASEAN countries, such as Indonesia, Malaysia, Thailand, Singapore, the Philippines, and Vietnam, may impact the relevance of ROI as an independent indicator in assessing a company's financial health. In addition to sectoral factors and jurisdictional differences, the study's observation period, which encompassed the years of the COVID-19 pandemic (2020–2021), may also explain why ROI showed no significant impact on financial distress. The implications of this research indicate that liquidity, sales growth, and capital structure are key predictors of financial distress in the ASEAN property sector. Therefore, management needs to prioritize cash management, sales innovation, and balanced financing to strengthen financial resilience, particularly in the face of external shocks.

CONCLUSION

Based on the overall analysis, this study concludes that, amid the uncertainties faced by the property and real estate sector in the ASEAN Six during the 2018–2022 period, only a limited number of financial ratios demonstrated a significant influence on corporate financial distress. Sales Growth (SG) and Current Ratio (CR) exhibited a significant negative relationship with financial distress, indicating that strong revenue growth and robust liquidity can effectively reduce the risk of financial instability. Conversely, the Debt Ratio (DR) showed a significant positive effect, reinforcing the argument that excessive dependence on debt increases the likelihood of financial pressure, particularly under volatile economic conditions such as the COVID-19 pandemic. Meanwhile, Total Asset Turnover (TATO) and Return on Investment (ROI) did not show any significant impact on financial distress. These findings suggest that asset efficiency and investment returns may not adequately capture a firm’s financial resilience during crisis periods, underscoring the greater importance of liquidity and capital structure under such circumstances. This study is not without limitations. The sample was restricted to property and real estate companies across six ASEAN countries during the 2018–2022 period, which limits the generalizability of the results to other sectors or geographic regions. Furthermore, the analysis did not account for external macroeconomic factors such as fiscal or monetary policy, which may also play a critical role in influencing financial distress. The exclusive use of quantitative data likewise does not encompass qualitative dimensions such as leadership, innovation, or governance practices. Future

research should consider expanding the sample coverage in terms of both time and sector, while incorporating additional variables that reflect both external economic conditions and internal company dynamics.

REFERENCES

[1] Agustin, H., & Bertuah, E. (2024). Factor Determinant Profitability and Financial Distress of Non-Financial Sector Companies in Indonesia. *Owner: Riset Dan Jurnal Akuntansi*, *8*(3), 2393-2405.

[2] Altman, E. I. (1968). Financial ratios, discriminant analysis and the prediction of corporate bankruptcy. *The Journal of Finance, 23*(4), 589–609.

[3] Amanda, Y., & Tasman, A. (2019). Pengaruh Likuiditas, Leverage, Sales Growth dan Ukuran Perusahaan Terhadap Financial Distress pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia (BEI) Periode 2015-2017. *Jurnal EcoGen*, 2(3), 453–462.

[4] Arafah, F., & Kusumawati, E. (2024). Effect of Profitability, Sales Growth, Leverage, Cash Flow Ratio, and Managerial Ownership On Financial Distress. *Dinasti International Journal of Economics, Finance & Accounting (DIJEFA)*, *5*(2).

[5] Atun, Y. (2020). Pengaruh current ratio, debt ratio, dan total asset turnover ratio terhadap financial distress pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia (BEI). *Jurnal Studia Akuntansi Dan Bisnis (The Indonesian Journal of Management & Accounting)*, *8*(2), 143-154.

[6] Desiyanti, O. S., Soedarmono, W., & Chandra, K. (2019). The Effect of Financial Ratios to Financial Distress Using Altman Z-score Method in Real Estate Companies Listed in Indonesia Stock Exchange Period. *Business and Enterpreneurial Review*, *19*(2), 119-136.

[7] Diana, B.M., & Yudiantoro, D. (2023). Pengaruh Kinerja Keuangan terhadap Financial Dsitress Perusahaan Sektor Industri Barang Konsumsi di BEI 2018-2021. *Jurnal Ekobistek*, 12(2), 601-607.

[8] Dianova, A., & Nahumury, J. (2019). Investigating the effect of liquidity, leverage, sales growth, and good corporate governance on financial distress. *JASF: Journal of Accounting and Strategic Finance*, *2*(2), 143-156.

[9] Dila, N. W. S., & Ritonga, F. (2024). Pengaruh Sales Growth dan Struktur Modal terhadap Financial Distress. *Journal of Trends Economics and Accounting Research*, *4*(4), 802-812.

[10] Dirman, A. (2021). Determining variables of financial distress. *International Journal of Management Studies and Social Science Research*, 3(3), 254-262.

[11] Dwiantari, R. A., & Artini, L. G. S. (2021). *The Effect of Liquidity, Leverage, and Profitability on Financial Distress (Case Study of Property and Real Estate Companies on the IDX 2017-2019)*. American Journal of Humanities and Social Sciences Research (AJHSSR), 5(1), 367–373.

[12] Handayani, R. D., Widiasmara, A., & Amah, N. (2019). Pengaruh Operating Capacity dan Sales Growth Terhadap Financial Distress dengan Profitabilitas Sebagai Variabel Moderating. *Simba Unipma 1*(2), 137–151.

[13] Heliani, H., & Elisah, S. (2022). Pengaruh Profitabilitas, Makroekonomi, Firm Size Terhadap Financial Distress Dengan Nilai Perusahaan Sebagai Variabel Moderating. *Owner: Riset Dan Jurnal Akuntansi*, *6*(4), 4142-4155.

[14] Hidayat, A. J., & Bintara, R. (2025). The Effect of Debt to Assets Ratio, Return on Assets, and Total Assets Turnover on Financial Distress. *Journal of Islamic Contemporary Accounting and Business*, *3*(1), 62-70.

[15] Hidayat, A.J., & Bintara, R. (2025). The effect of debt to assets ratio, return on assets, and total assets turnover on financial distress. *Journal of Islamic Contemporary Accounting and Business*, 3(1), 62-70.

[16] Hidayat, I., Sari, P. A., Hakim, M. Z., & Abbas, D. S. (2021). Pengaruh Total Asset Turnover, Leverage Dan Profitabilitas Terhadap Financial Distress. *Competitive Jurnal Akuntansi Dan Keuangan*, *5*(2), 180-187.

[17] Indriaty, N., Setiawan, D., & Pravasanti, Y. A. (2019). The effects of financial ratio, local size and local status on financial distress. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *3*(01), 38-42.

[18] Islamy, A.Z., Purwohedi, U., & Prihatni, R. (2021). Faktor-faktor yang Mempengaruhi Financial Distress Perusahaan Terdampak COVID-19 di ASEAN. *Jurnal Akuntansi, Perpajakan Dan Auditing*, *2*(3), 710–734.

[19] Izzah, L.N., Rahman, A., & Mahsina. (2021). Pengaruh likuiditas, profitabilitas, leverage, dan aktivitas terhadap kondisi financial distress. *EkoBis: Jurnal Ekonomi & Bisnis*, 2(1), 70-81.

[20] Kamaluddin, A., Ishak, N., & Mohammed, N. F. (2019). Financial distress prediction through cash flow ratios analysis. *International Journal of Financial Research*, *10*(3), 63-76.

[21] Kartika, R., & Hasanudin. (2019). Analisis pengaruh likuiditas, leverage, aktivitas, dan profitabilitas terhadap financial distress pada perusahaan terbuka sektor infrastruktur, utilitas, dan transportasi periode 2011-2015. *Jurnal Ilmu Manajemen*, 15(1), 1-16.

[22] Kholifah, R., Uzliawati, L., & Lestari, T. (2023). The effect of sales growth, profitability, leverage and corporate governance on financial distress. *AFEBI Accounting Review*, *8*(2), 88-101.

[23] Lifia, S., Gurendrawati, E., & Fauzi, A. (2020). Pengaruh Solvabilitas, Pertumbuhan Penjualan, dan Biaya Agensi Manajerial Terhadap Financial Distress: Studi Empiris Pada Perusahaan Sektor Properti dan Real Estate yang Terdaftar di Bursa Efek Indonesia Periode 2016-2018. *Jurnal Akuntansi, Perpajakan Dan Auditing*, *1*(2), 179–194.

[24] Mahardika, M. R., & Mulyawan, F. (2023). the influence of current ratio, return on asset, debt asset ratio, and total asset turnover on financial distress. case study of Manufacturing companies in the coal Mining sub sector listed on the indonesia stock exchange in 2019-2021. *Jurnal Ekonomi*, *12*(02), 701-708.

[25] Maulida, I. S., Moehaditoyo, S. H., & Nugroho, M. (2018). Analisis Rasio Keuangan Untuk Memprediksi Financial Distress Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia 2014-2016. *Jurnal Ilmiah Administrasi Bisnis Dan Inovasi*, *2*(1), 180–194.

[26] Novitalia, S., & Akhyar, C. (2023). Analysis of comparison of bankruptcy prediction ability between altman z-score analysis and zmijewski x-score analysis in financial services companies listed on the indonesia stock exchange for the 2017-2021 period. *Journal of Accounting Research, Utility Finance and Digital Assets*, *2*(2), 718-723.

[27] Primasari, N. S. (2017). Analisis Altman Z-Score, Grover Score, Springate, Dan Zmijewski Sebagai Signaling Financial Distress (Studi Empiris Industri Barang-Barang Konsumsi Di Indonesia). *Accounting and Management Journal*, *1*(1).

[28] Purnomo, A. (2018). Influence of the ratio of profit margin, financial leverage ratio, current ratio, quick ratio against the conditions and financial distress. *Indonesian Journal of Business, Accounting and Management*, *1*(1), 9-17.

[29] Purwanto, D. Y. K., & Pardistya, I. Y. (2021). The effect of current ratio, net profit margin and debt to equity ratio on financial distress. In *FORUM EKONOMI: Jurnal Ekonomi, Manajemen dan Akuntansi* (Vol. 23, No. 4, pp. 700-707).

[30] Rafli, A. A. (2025). Pengaruh Return on Asset (ROA), Total Asset Turnover (TATO), dan Debt to Equity Ratio (DER) terhadap Financial Distress pada PT Astra International Tbk. *Cakrawala: Jurnal Ekonomi, Manajemen dan Bisnis*, *2*(1), 17-26.

[31] Restianti, T., & Agustina, L. (2018). The effect of financial ratios on financial distress conditions in sub industrial sector company. *Accounting Analysis Journal*, *7*(1), 25-33.

[32] Saji, T. G. (2018). Financial Distress and Stock Market Failures: Lessons from Indian Realty Sector. *Vision*, *22*(1), 50-60.

[33] Sasongko, H., Ilmiyono, A. F., Tiaranti, A., & Pakuan, U. (2021). Financial ratios and financial distress in retail trade sector companies. *JIAFE (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)*, *7*(1), 63-72.

[34] Septyanto, D., Welandasari, N. F., & Sayidah, N. (2022). An empirical test of the financial ratio effect on financial distress in Indonesia (study in garment and textile industry). *Economics and Business Quarterly Reviews*, *5*(2).

[35] Setyawati, I., & Amelia, R. (2018). The Role of Current Ratio, Operating Cash Flow and Inflation Rate in Predicting Financial Distress: Indonesia Stock Exchange. *JDM (Jurnal Dinamika Manajemen)*, *9*(2), 140-148.

[36] Silanno, G. L., & Loupatty, L. G. (2021). Pengaruh current ratio, debt to equity ratio dan return on asset terhadap financial distress pada perusahaan-perusahaan di sektor industri barang konsumsi. *Jurnal Ekonomi, Sosial & Humaniora*, *2*(07), 85-109.

[37] Siswanto, S. (2024). The Influence of Financial Ratios on Financial Distress in Manufacturing Companies in the Consumer Goods Industry Sector Listed on the Indonesian Stock Exchange. *Jurnal Ekonomi, Bisnis & Entrepreneurship (e-Journal)*, *18*(1), 205-215.

[38] Sugiana, N. A., & Hidayat, W. W. (2023). The effect of operating cash flow, operating capacity and sales growth on financial distress. *Indonesian Journal of Business Analytics*, *3*(3), 785-802.

[39] Supriyanto, J., & Darmawan, A. (2018). The effect of financial ratio on financial distress in predicting bankruptcy. *Journal of Applied Managerial Accounting*, *2*(1), 110-120.

[40] Susanti, M., Limajatini, L., & Anggraeni, R. D. (2022). Pengaruh Debt to Aset Ratio, Return on Aset dan Total Aset Turn Over Terhadap Financial Distress (Studi Empire Pada Perusahaan Sub-Industri Kimia yang Terdaftar di Bursa Efek Indonesia Tahun 2018–2020). *Eco-Buss*, *5*(2), 700-710.

[41] Wangsih, I. C., Yanti, D. R., Yohana, Y., Kalbuana, N., & Cahyadi, C. I. (2021). Influence of leverage, firm size, and sales growth on financial distress. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, *5*(4).