

## **ABSTRACT**

*Financial distress is a condition for a company where the company cannot fulfill its obligations, if this condition occurs, the company will experience bankruptcy. Early detection of financial distress conditions in companies has several important functions that can help maintain the sustainability and financial health of the company. There are companies that cannot maintain financial health and are unable to manage finances in an increasingly competitive market so that some companies experience financial distress. This study aims to determine the effect of liquidity, company size and sales growth on financial distress in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023 simultaneously and partially. The data selection technique in this study used purposive sampling technique which resulted in a total of 20 samples of food and beverage sub-sector companies. The data used is secondary data in the form of annual reports of the companies used as research. This study uses panel data regression analysis techniques processed using E-Views13 software. The findings of this study indicate that liquidity, company size, and sales growth simultaneously affect financial distress. Liquidity has a positive effect on financial distress, company size has a negative effect on financial distress, and sales growth has no effect on financial distress.*

**Keywords:** *financial distress, Firm Size, Liquidity, and Sales growth*