

ABSTRACT

The Effect of Net Profit Margin, Current Ratio, Debt to Asset Ratio, and Total Asset Turnover on Financial Distress
(A Study on PT Waskita Karya (Persero) Tbk)

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This study aims to examine and analyze the effect of Net Profit Margin, Current Ratio, Debt to Asset Ratio, and Total Asset Turnover on Financial Distress at PT Waskita Karya (Persero) Tbk. Financial Distress in this study is measured using the modified Altman Z''-Score model. The research method employed is a quantitative explanatory approach. The data used are secondary data obtained from the company's financial statements. The data were analyzed using multiple linear regression analysis. The results indicate that: (1) Net Profit Margin has a positive effect on Financial Distress; (2) Current Ratio has a positive effect on Financial Distress; (3) Debt to Asset Ratio has no effect on Financial Distress; and (4) Total Asset Turnover has a positive effect on Financial Distress. Overall, the findings suggest that profitability, liquidity, and asset utilization efficiency play an important role in determining the company's financial distress condition.

Keywords: *Net Profit Margin, Current Ratio, Debt to Asset Ratio, Total Asset Turnover, and Financial Distress.*