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The Importance Of Company Age As A Moderation To Solve Financial Distress Problems: Case Study Of The Manufacturing Industry In Indonesia

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Abstract. Study This aim For test influence operating capacity and leverage against financial distress with age company as moderating variable in Registered Manufacturing Companies on the Indonesian Stock Exchange for the 2018-2022 period. Research methods This is method quantitative. Population in study This is company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period. Research methods sample done with use purposive sampling method, based on criteria that have been determined there were 132 companies used as sample. The analytical method used is method analysis multiple linear regression and processed use tool help SPSS Version 25. Test result show that: (1) Operating Capacity influential to Financial Distress, (2) Leverage influential significant to Financial Distress, (3) Company Age No moderate influence Operating Capacity to Financial Distress, (4) Company Age moderates strengthen influence Leverage to Financial Distress.

Keywords: Operating Capacity, Leverage, Financial Distress, and Company Age

INTRODUCTION

The increasing development of the business world fast, fast and competitive push every company for strengthen every business unit it handles so that it is capable compete with other companies. Accompanied by growth growing economy fast will cause happen competition between company One with company others are increasing strong and emerging companies new for compete and offer product to public. So that Lots competing companies strict for create performance optimal company. If any company No capable compete with company other so will result decline performance finances will leads to difficulties finance or *financial distress.* (Hutauruk et al., 2021)

When This growth Indonesia's economy is growing decrease connection with data from the Central Statistics Agency economy in 2019 it fell by more than 5.02% low compared to 2018 grows amounting to 5.17%. According to head of the Central Statistics Agency (BPS) Suhariyanto (2019) stated one the cause that is growth from sector industry experience slowdown and weakened processing (Fajar Febrianto, Tempo 2020). From Condition This can trigger emergence crisis finances will influence performance company experience *financial distress* (difficulty finance).

Instability economy this is what makes it company experience *financial distress* or difficulty finances, then company need do evaluate strategies and carry out calculation return

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to report financial order of the company still endure. Companies also need it be careful in take decision not to happen decline investor and consumer confidence to company. If company No Can return investor and consumer confidence Can result company experience difficulty finance *(financial distress)* and become *delisting.*

PLatt, HD (2002) , *financial distress* or difficulty finance is something indicative conditions finance company decline occurred before bankruptcy or liquidation. It means *financial distress* is signal something company in danger possible bankruptcy harm the company concerned. One of field industry largest and developing in Indonesia and also becoming contributor biggest in Indonesia's economy is industry manufacturing which includes various sector, ie sector industry basic and chemical, sector mining and processing metals, sector food and beverage, sector pharmaceutical, sector cosmetics and equipment House stairs, and various sector other. At the moment sector manufacture Already experience decline production reaches 50%.

The phenomenon that occurs about condition *financial distress* such as PT Gudang Garam Tbk (GGRM) which is still recorded increase revenue and profit net in the first quarter of 2020. Each of them increased 4.1% *year on year* (yoy) to IDR 27.26 trillion and 3.9% yoy to IDR 2.45 trillion. Although So, Gudang Garam management revealed, it has happen decrease in sales volume in the quarter first 2020. Sales volume Already experience decline compared 2019 consequences increase sufficient excise tax high in 2020 as well Power buy inclined society lethargic. Purchasing power public increasingly stressed so that will impact to request product. Moreover Again, enforcement tariff excise new cause enhancement price cigarette.

Based on Mirae Asset Sekuritas Indonesia research released April 30, 2020, price average sales of GGRM's flagship *brand* can increase by 1%-2% *year to date* (ytd). Call only GG International which rose 1.1% to IDR 18,800 per pack and Surya 16 which rose 2% to IDR 24,900 per pack. Temporary that's the price sell more products on average cheap could rise 8% YTD. For example, Surya Pro Mild increased 8.2%, from IDR 18,400 per pack to IDR 19,900 per pack, GG Signature Mild 16 rose 7.6% to IDR 19,900 per pack from IDR 18,500 per pack, and the price of GG Surya PRO 16 has increased by 7.6% from IDR 18,500 per pack to IDR 19,900 per pack.

From research previous *financial distress* few people use it variable moderation that is variables that can strengthen or weaken connection direct between variable independent with variable dependent. So researchers interested do study return about factor affecting *financial distress,* among others is *operating capacity, leverage,* and age company as variable moderation.

According to (Maronrong et al., 2022) , ratio *operating capacity* is total asset turnover company in operate activity its operations. This matter show ability company in utilize its total assets with effective To use produce sale. Wibowo & Susetyo (2020) , *operating capacity* or ratio activity is ratio used for evaluate effective or or not company in use assets To use produce sales, so can show ability assets that can create sale. Ability operational can measure ability company in do activity daily.

According to (Fahrani, M., Nurlaela, S., & Chomsatu, 2018) *operating capacity* is scale used To use measure ability company in operate rotation the assets To use produce sales to the company. Measurement *operating capacity* using TATTOO or *Total Asset Turnover.* His height ratio of a TATTOO company can zoom out possibility company affected condition crisis finance, because company assessed Already Good in manage every its assets For activity operational company, and if TATO company low so will make evaluation performance company bad consequence from inability management in manage his assets with OK, and p That can become opportunity will happen *financial distress* in Century future for the company If condition the No Can resolved with Good (Suleha & Mayangsari, 2022) . If assets company No Can maximized its use, then income neither does the company Can maximum, and the consequences possible company experience difficulty finance or *financial distress* is the more big (Hidayat, A, 2019) .

Ratio *leverage* is use loan funds or capital for increase profit in business. *Leverage* is ratio used For measure extent of assets company financed with debt (Kasmir, 2017, p. 151) . Through ratio This so can is known how much the amount of debt owned by the company for finance or get the assets he owns. Apart from that, you can is known how much big ability company For pay off obligation period short nor period long. (Kasmir, 2019) . Ratio *leverage* can give useful benefits for company in face the possibility that will happened to the company Because through ratio This can known signal of moderate condition experienced company. *Leverage* which tall will result company deep condition *financial distress* if no balanced with availability funds or assets which adequate for pay off his debts (Ayu *et al,* 2017). Ratio *leverage* can be calculated use ratio debt or *Debt Ratio,* namely total liabilities shared with *total assets.*

Financial distress can also occur seen from age company *(firm age)*. *Firm age* or age company is range walking something stated company with year. Age company calculated since company stand based on deed establishment until study done. Mahajan, P., and Singh (2018) Lots thing that can be linked about age company, that is like many experience, expertise and deduction company risk. More company young own limitations to source the power it has and lacks experience. On research this, researcher add age company as variable moderation for strengthen or weaken influence *operating capacity, leverage* against *financial distress.*

STUDY OF LITERATURE

Financial Distress

According to Curry, Khirstina (2018) *financial distress* is something condition Where finance company in circumstances No Healthy or experience decline before happen bankruptcy or liquidation. A company considered experience *financial distress* If experience profit operation clean negative during a number of year or termination payment dividends, restructuring finance or laid off bulk. So bankruptcy No happen in a way suddenly. Bankruptcy is accumulation from error management company in period long. Therefore, it is necessary tool for detect potency possible bankruptcy experienced company. A manager sued own ability increasingly managerial Good from time over time for facing a changing business world faster and more competitive. Manager must Ready face existing challenges and possibilities later day so No experience bankruptcy. (Rudianto, 2018) . *Financial distress* started from inability company in fulfil his obligations, esp obligations in nature period short including obligation liquidity and also incl obligations in nature solvency (Hernadianto, Yusmaniarti, 2020) . Difficulty finance can seen with exists three type debt, namely term debt short, term debt medium and term debt long. Term debt short This No always relate with bankruptcy something company limited and error liquidity as consequence from error cash flow management (Shubhan, 2019) .

Altman Z-Score Method

According to Pulungan et al (2017) Altman Z-Score method is method used For predict which company owns it condition healthy finances and those that are threatened face bankruptcy. This method combine a number of ratio finance and giving different weights for each company. Analysis This is one of indicator in determine is condition financial something company in circumstances Healthy or can not become size performance company at a time period certain, as well can reflect prospect company in the future come. The Altman Z-score model is categorized company experience *financial distress* (FD) is given code 1, meanwhile companies that don't experience *financial distress* (TFD) is given code 0. According to Sawiya & Munandar (2020) conditions *financial distress* can be measured with use formula:

$$\mathbf{Z = 0.717X1 + 0.847X2 + 3.107X3 + 0.420X4 + 0.998X5}$$

Information:

X1 = (assets current – debt current) / total assets

X2 = retained earnings / total assets

X3 = profit before interest and taxes / total assets

X4 = capital market value / value book debt

X5 = sales / total assets

Criteria used For can predict bankruptcy something company is as following (Rohana Sawiya, 2020) :

Z value	Information
Z > 2.90	Internal company circumstances Healthy
Z is between 1.20 to 2.90	Companies in the gray area or vulnerable bankrupt
Z < 1.20	Potential company bankrupt

Operating Capacity

Operating Capacity is total asset turnover company in operate activity its operations (Maronrong et al., 2022) . Ratio This also known as ratio asset utilization, namely ratio used For evaluate effectiveness and intensity of company assets in produce sale. *Operating capacity* or ratio activity is ratio which is also known as ratio efficiency used For evaluate effective or or not company in use assets To use produce sales, so will create accuracy performance operational something company (Atika, Darminto, 2018) . Proxy used in study This is *Total Assets Turnover* (TATO). If company maintain total assets turnover by OK, then matter This will indicates that company has do management source Power company optimally (Maronrong et al., 2022). Brigham (2019) defines total asset turnover (pta) or what is usually called total assets turnover as the extent to which a company is able to achieve net sales of the assets owned by the company. Total asset turnover is the final asset management ratio that measures the turnover of all company assets, and is calculated by dividing sales by total assets and measuring how much sales are obtained from each rupiah of assets. If the company does not produce sufficient business volume for the investment size of its total assets, then sales must be increased (Kasmir, 2019). This ratio is assessed from the total asset turnover ratio (TATO), where total sales are divided by the number of assets owned by the company. If the total asset turnover rate is higher, the company will use its assets more effectively so that sales can be optimal. Total asset turnover is the ratio of the company's operational effectiveness to the total assets used by the company's operations. The high effectiveness of the company in using its assets to obtain net sales shows the better performance achieved by the company. The higher the total assets turnover, the company value increases so that it is far from the tendency of financial difficulties. This research's calculations are in accordance with (Brigham, 2019)

$$\text{Total Assets Turnover} = \frac{\text{Penjualan Bersih}}{\text{Total Aset}}$$

Leverage

According to (Kasmir, 2017, p. 151) , ratio *leverage* or frequently called ratio solvency This is ratio used For measure extent of assets company financed with debt. It means How many big debt burden borne company compared to with its assets. In a broad sense said that ratio *leverage* used for measure ability company For pay all over obligations, fine period short nor period long if company disbanded (liquidated). Ratio *leverage* measure ability company fulfil his obligations (Ayu et al., 2017) . In funding business, company own a number of source of funds. Available sources of funds obtained is loan or own capital. Decision to choose using your own capital or loan capital must be used a number of careful calculation. Ratio This can see how much Far company financed by debt or party outside with ability companies described by capital (Kurniasanti & Musdholifah, 2018) . The more the amount of debt a person has company so the more big possibility company will bankrupt, because bankruptcy started when something company No can pay his debts especially term debt short.

In practice, if results calculation show it turns out company own high *leverage* ratio, p This can cause enhancement risk more loss big, but also there possibility get profit or big profits. On the other hand, if company own low *leverage* ratio Of course own risk more loss small, esp moment economy decrease. This also causes low rate of return at the time economy tall. With So, manager finance must manage ratio *leverage* with Good so that can balancing high returns with level risks faced. Big or small ratio *leverage* does not only depends on the assets owned, but also on the loans owned company. By general, usage ratio *leverage* aligned with objective company, that is company can use all over or part ratio *leverage* from one type ratio existing *leverage.* A number of indicators that can used in count *leverage* is:

1. *Debt to Equity Ratio* (DER)

   Debt to Equity Ratio used For determine How many big company use debt as source funding.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Utang}}{\text{Total Ekuitas}}$$

2. *Debt to Asset Ratio* (DAR)

   Ratio This measure comparison between total debt and total assets. Ratio this is also frequent named as debt to asset ratio (*Debt to Asset Ratio).*

$$\text{Debt to Total Asset} = \frac{\text{Total Utang}}{\text{Total Asset}}$$

Leverage is level ability company in use owning assets burden still. Proxy used for calculating leverage on research This is *Debt to Asset Ratio* (DAR) or normal called the debt ratio. Ratio This used for know percentage of funds from all debts owned company. The more low debt ratio then level increasing security of funds OK, so will attract investors to invest in the company the (Maronrong et al., 2022) . Getting lower the ratio, increasingly A little funding debt which used company (Ayu et al., 2017) . Good company it should own more many assets than debt. Therefore that, if composition of company assets more big from debt, then possibility something company experience *financial distress* is also more small. Calculation study This in accordance with (Kashmere, 2018)

$$\text{Debt to Total Asset} = \frac{\text{Total Utang}}{\text{Total Asset}}$$

Company Age

Firm Age or age company is range walking something stated company with year. Age company calculated since company stand based on deed establishment until study done. (Mahajan, P., and Singh, 2018) , many thing that can be linked about age company, that is like many experience, expertise and deduction company risk. More company young own limitations to source the power it has and lacks experience. Age company show how old is the company capable endure. Old company more old own more experience Lots in publish report finance. Company that owns experience more Lots will more know need user will information about company. as a result company established who have age more old tend more skilled in collection, processing and producing information when required Because experience learning (Nurfadilah, 2017). Age something company be one possible factors predict condition finance something company. The longer the company persist, increasingly there are many possibilities company for return investment big Because Already experienced. (Farida, 2019) in (Ratih Dyan, 2020). A long time company operational prove that company capable get great trust from investors. Companies must be measured from date his stance nor from date registered on the IDX. Age company in study This use age company from date company listed on the stock exchange (Owusu-Ansah, 2000) . Calculation study This in accordance with (Owusu-Ansah, 2000) , Age Company:Year its founding company until year study

RESEARCH METHODS

Study This including in type study quantitative. According to (Sugiyono, 2019, p. 17) study quantitative interpreted as method research based on philosophy positivism, used For research on populations or sample specific, data collection uses instrument research, data analysis quantitative / statistical, with objective For test hypothesis that has been set. Study This addressed for explain connection causal between variables research, ie variable independent (*Operating Capacity* and *Leverage)* towards variable dependent (*Financial Distress)* with Company Age as variable moderation and testing formulated hypothesis. In research this, researcher do research throughout sector company manufacturers listed on the Indonesia Stock Exchange (BEI) for the period 2018 to 2022. Required data in study This obtained from the website www.idx.co.id and from link related other. Study This implemented in 2023. Population used in study This is as many as 213 companies and use all report data finance company manufacturers listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period (Secondary Data). Procedure taking sample used in study This is non-probability with purposive sampling technique. (Sugiyono, 2019, p. 133) put forward that purposive sampling technique is technique determination sample with consideration certain. The goal for get appropriate sample with criteria that have been determined as many as 132 companies with data observations for 5 years, so that 660 data were obtained. Instruments used for measure variable in study This are validity tests and reliability tests. Test Assumptions Classic consists from Normality Test, Multicollinearity Test, Heteroscedasticity Test. Testing hypothesis used in study This done with method multiple linear regression, Moderated Regression Analysis (MRA). Analysis correlation aim for measure strength linear association (relationship) between two variables, coefficient determination (R2), Hypothesis Testing: t test and f test.

ANALYSIS AND DISCUSSION

Data analysis

Study This carried out at the company manufacturers listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. Data used in research This is secondary data form report yearly that has been audited via the internet site, namely BEI (www.idx.co.id) and the official site company. Obtained sample study as many as 132 companies with period five year observations (2018 – 2022). So the total observation data in study This totaling 660 data. However in the data, data is found that has mark different Far with observational data others (extreme) are good in variable single or variable combination. So that researcher carry out *outlier* tests with reduce the nature of observational data extreme as many as 373 data. Obtained observational data end after *outliers* as many as 287 data. the data processed through device soft namely SPSS (*Statistical Product and Service Solution)*.

Statistics Descriptive

Statistics descriptive give description or description of the data seen from minimum value, value maximum, average (mean) and standard values deviation. Results of research carried out in a way descriptive in study This can seen in the table following:

Table 4. 1 Statistical Results Descriptive

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Operating Capacity	287	-.34	37.87	.9579	2.25970
Leverage	287	.00	29.45	.7546	2.52994
Financial Distress	287	.23	50.88	2.0244	3.00297
Company Age	287	4.00	205.00	42.3240	22.42180
Valid N (listwise)	287				

Source: SPSS Data Processing Output Version 25, 2023

In table 4.1 above shows valid data in study This is as many as 287 data after minus outliers. As for explanation descriptive statistics every variable is as following:

Financial Distress

Financial Distress own the minimum and maximum values are 0.23 and 50.88. These results show that the magnitude of *Financial Distress* data range between 0.23 to 50.88. A minimum value of 0.23 is categorized as company in circumstances experience difficulty finance or *financial distress.* PT Bentoel has a minimum value of 0.23 International Investama Tbk in 2018. The maximum *Financial Distress value of* 50.88 is owned by PT Kirana Megatara Tbk in 2019, which means company categorized as as company in circumstances Healthy or No experience difficulty finance. *Financial Distress* has a mean of 2.0244 and a value standard deviation amounting to 3.00297. With more average value small compared to mark standard deviation show that *Financial Distress* has insufficient distribution of data Good.

Operating Capacity

Operating Capacity has the minimum and maximum values are -0.34 and 37.87. These results show that the size of *the Operating Capacity* data range between -0.34 to 37.87. Variable *Operating Capacity* obtained the minimum value is -0.34 owned by Barito Pacific Tbk in 2021. The maximum value is 37.87 owned by PT Kirana Megatara Tbk and Tifico Fiber Indonesia Tbk in 2019. *Operating Capacity* has an average of 0.9579 and value standard deviation amounting to 2.25970. With more average value small from mark standard significant deviation that *Operating Capacity* own insufficient distribution of data Good.

Leverage

Leverage own The minimum and maximum values are 0.00 and 29.45. These results show that the amount of *leverage* data range between 0.00 and 29.45. A minimum value of 0.00 exists in a few one of the companies is PT Kimia Farma Tbk period 2019 - 2022 and Mulia Industrindo Tbk period 2018 - 2022. The maximum *leverage value of* 29.45 times is owned by PT Buyung Poetra Self-sufficiency Tbk in 2022. *Leverage* has a mean of 0.7546 and value standard deviation amounting to 2.52994. With more average value small compared to mark standard deviation show that *leverage* own insufficient distribution of data Good.

Company Age

Company Age has the minimum and maximum values are 4.00 and 205.00. These results show that the amount of ownership data family range between 4.00 to 205.00. Minimum value of 4.00 owned by PT Waskita Beton Precast Tbk in 2018. Maximum value of age 205.00 company owned by PT Kimia Farma Tbk in 2022. Company Age has an average of 42.3240 and value standard deviation amounting to 22.42180. With more average value big compared to mark standard deviation show that age company own good data distribution.

Normality test

Normality test aim For test is in the regression model, variables bully or residual have normal distribution (Ghozali 2018, 161) . Normality test done for test is in a regression model, variables dependent, variable independent or both of them own normal distribution / not. Tests used by researchers is the non-parametric Kolmogorov-Smirnov (KS) statistical test. The KS test was carried out with make guidelines in taking decision that is: If n is the value significant or mark probability > 0.05 then normal data distribution. If value significant or mark probability < 0.05 then data distribution is not normal.

Table 4. 2 Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		287
Normal Parameters [a, b]	Mean	-.4559036
	Std. Deviation	.37058213
Most Extreme Differences	Absolute	,051
	Positive	,051
	Negative	-.046
Statistical Tests		,051
Asymp. Sig. (2-tailed)		.073 [c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Source: SPSS Data Processing Output Version 25, 2023

Based on the one sample *Kolmogorov-Smirnov test* in table 4.2 above is known that mark Asymp. Significance is 0.073. Significance value > 0.05 with the total number of data is 287 shows that the data in the research This distributed normally.

Multicollinearity Test

The purpose of the multicollinearity test is for test what is the regression model own correlation between variable free (independent). Multicollinearity test happen If there is linear relationship between independent involved in models. If the tolerance value is > 0.1 and VIF < 10, then the model is said to be free from multicollinearity and vice versa If tolerance value < 0.1 or VIF value > 10, then can said in that model happen multicollinearity. Multicollinearity test results can seen in table 4.3

Table 4. 3 Multicollinearity Test Results

Coefficients [a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Operating Capacity	,953	1,050
	Leverage	,936	1,068
	Company Age	,975	1,026

a. Dependent Variable: *Financial Distress*

Source: SPSS Data Processing Output Version 25, 2023

Based on table 4.3 above show that each variable study own tolerance value > 0.1. Additionally, results VIF calculations also show that each variable study own VIF value < 10. So, yes concluded that no happen symptom multicollinearity between variable independent in the regression model.

Autocorrelation Test

Autocorrelation test aim for test is in the linear regression model there are correlation between error bully in period t with error bully in period t-1 (previously). On research this, take decision There is or or not autocorrelation with using Durbin-Watson. Autocorrelation appear Because sequential observations throughout time related One The same other. The autocorrelation test results are in Table 4.4 below This:

Table 4. 4 Autocorrelation Test Results

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,995 [a]	,990	,990	.32004	2,012

a. Predictors: (Constant), LAGZ, LAGX1, LAGX2

b. Dependent Variable: LAGY

Source: SPSS Data Processing Output Version 25, 2023

Information:

N: 287

DW: 2,012

DL: 1.78970

Based on the data in Table 4.4, it is known that Durbin-Watson value is 2.012 which means > 1.78970 which means DW value is more big from DL in table DW. This matter can concluded that No There is symptom autocorrelation in research data.

Heteroscedasticity Test

In research This is a heteroscedasticity test done with glesjer test namely hypothesis testing for know what is the regression model own indication heteroscedasticity with method regress residual absolute. Basis for taking decision using glesjer test that is If mark significant > 0.05 then No happen symptom heteroscedasticity. The results of the heteroscedasticity test with glesjer test can seen in Table 4.5 below This

Table 4. 5 Heteroscedasticity Test Results

Coefficients [a]

Model		Sig.
1	(Constant)	,000
	Operating Capacity	,413
	Leverage	,149
	Company Age	,586

Source: SPSS Data Processing Output Version 25, 2023

Based on Table 4.5 above is known that mark significant of each variable study own mark significance > 0.05. This matter can concluded that No happen heteroscedasticity in research data This.

Multiple Linear Regression Test

Multiple linear regression used for predict influence more from One variable free (*Operating Capacity, Leverage)* against One variable bound (*Financial Distress)*. Test result the is displayed as following:

Table 4. 6 Multiple Linear Regression Test Results

Coefficients [a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta
1	(Constant)	,893	,046	
	Operating Capacity	1,325	,009	,997
	Leverage	-.029	,008	-.024

a. Dependent Variable: *Financial Distress*

Source: SPSS Data Processing Output Version 25, 2023

Results *the* multiple linear regression test in Table 4.6 shows the regression model in the research This as following:

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e}$$
$$\mathbf{Y = 0.893 + 1.325 X_1 - 0.029 X_2 + e}$$

Information:

Y = *Financial Distress*

α = Constant

β1 = Coefficient Regression for X_1

β_2 = Coefficient Regression for X_2

X_1 = *Operating Capacity*

X_2 = *Leverage*

e = Error Term

In the equation model multiple linear regression on can concluded as following:

Constant: Constant value of 0.893 means if all variable *Operating Capacity* and *Leverage* worth zero, then big variable *Financial Distress* will worth of 0.893.

Operating Capacity: Variable *Operating Capacity* has mark coefficient regression with direction positive amounting to 1.325. This matter show that variable *Operating Capacity* have positive influence to variable *Financial Distress,* which means show that every exists enhancement one unit variable *Operating Capacity* so will raise variable *Financial Distress* amounting to 1.325 with assumption variable independent other worth still.

Leverage: Variable *leverage* has mark coefficient regression with direction negative of -0.029. This matter show that variable *Leverage* have negative influence to variable *Financial Distress,* which means show that every exists enhancement variable one unit variable *L everage* so will lower variable *Financial Distress* of -0.029 with assumption variable independent other worth still.

***Moderated Regression Analysis* (MRA)**

Moderated Regression Analysis (MRA) is application special multiple linear regression, where in equality the regression contain element interaction. In research This The age of the company will be moderate connection between *Operating Capacity* and *Leverage* to *Financial Distress.* Following This *Moderated Regression Analysis* (MRA) test results:

Table 4. 7 *Moderated Regression Analysis* (MRA) Test Results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	,816	,056	
	Operating Capacity	1,440	,058	1,083
	Leverage	,058	.041	,049
	Company Age	,001	,002	,006
	Operating Capacity * Company Age	-.004	,002	-.080
	Leverage * Company Age	-.005	,002	-.077

a. Dependent Variable: *Financial Distress*

Source: SPSS Data Processing Output Version 25, 2023

Based on table 4.7 above can is known that the regression model as following:

$$\mathbf{Y = 0.816 + 1.440X_1 + 0.001Z - 0.004\,X_1{*}Z + e}$$

$$\mathbf{Y = 0.816 + 0.058X_2 + 0.001Z - 0.005\,X_2{*}Z + e}$$

Based on equality on can explained as following:

Constant: Constant value of 0.816. This matter show that If other variables have a value of 0, then big variable *financial distress* of 0.816.

Operating Capacity: Variable *Operating Capacity* have mark coefficient regression amounting to 1,440. This matter means if *Operating Capacity* increased by One unit whereas other variables remain constant so will result happen increase *financial distress* amounted to 1,440.

Leverage: Variable *Leverage* have mark coefficient regression of 0.058. This matter means if *Leverage* increases by One unit whereas other variables remain constant so will result happen increase *financial distress* of 0.058.

Age Company: Variable Company age has coefficient regression of 0.001. This matter means if Company age increased by One unit whereas other variables remain constant so will result happen increase *financial distress* of 0.001.

Interaction Operating Capacity with Age Company: *Operating* Capacity is moderated by Company Age mark coefficient regression of -0.004. This matter means if *Operating Capacity* moderated by Company Age increased by One unit whereas other variables remain constant so will result happen decline *financial dsitress* of 0.004.

Interaction Leverage with Age Company: *Leverage* is moderated by Company Age mark coefficient regression -0.005. This matter means if *Leverage* moderated by Company Age increased by One unit whereas other variables remain constant so will result happen decline *financial distress* of 0.005.

Hypothesis testing

Analysis techniques used for test hypothesis H1, H2 using analysis regression multiple with regress variable independent (*Operating Capacity, Leverage)* against variable dependent (*Financial Distress)*, meanwhile for hypothesis H3, H4 for test influence moderation control accountancy with use analysis regression moderation through interaction test approach or *Moderated Regression Analysis* (MRA).

t test (Partial)

The t test was used for know how much big influence variable profitability and *leverage* to variable *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period. The results of the t test in study This can seen in table 4.8 as following:

Table 4. 8 t Test Results (Partial)

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	,893	,046		19,397	,000
	Operating Capacity	1,325	,009	,997	143,560	,000
	Leverage	-.029	,008	-.024	-3,468	,001

a. Dependent Variable: *Financial Distress*

Source: SPSS Data Processing Output Version 25, 2023

T test results from table 4.8 can explained as following:

Influence *Operating Capacity* against *Financial Distress*

Based on study This using the t test obtained mark coefficient *Operating Capacity* ß is 1.325, hypothesis in study This is as following: $t_{count} < t_{table,}$ then H_O accepted and H_1 rejected It means No There is influence *Operating Capacity* to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period. $t_{count} > t_{table,}$ then HO rejected and H_1 accepted It means There is influence *Operating Capacity* to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period. From table 4.8 it can be seen is known that mark t_{count} amounting to 143,560 with df (*degree of freedom)* = n-1-k (287-1-2) = 284. The t distribution table is looked for at α = 5 %: 2 = 2.5% (two- sided test) to be found with mark t_{table} amounting to 1.968352. Based on a two- way test show mark t_{count} more big from t_{table} (143.560 > 1.968352) with sig. 0.000 < 0.05 so H_O rejected and H_1 accepted, meaning there is influence between *Operating Capacity* to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period.

Influence *Leverage* to *Financial Distress*

Based on study This using the t test obtained mark coefficient *leverage* ß -0.029, hypothesis in study This is as following: $t_{count} < t_{table,}$ then H_O accepted and H_2 rejected It means No There is influence *leverage* to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period. $t_{count} > t_{table,}$ then HO rejected and H_2 accepted It means There is influence *leverage* to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period. From table 4.8 it can be seen is known that mark t_{count} of -3,468 with df (*degree of freedom)* = n-1-k (287-1-2) = 284. The t distribution table is looked for at α = 5 %: 2 = 2.5% (two-sided test) to be found with mark t $_{table}$ amounting to 1.968352. Based on a two- way test show mark t $_{count}$ more big from t $_{table}$ (-3.468 > 1.968352) with sig. 0.001 < 0.05 so H $_{O}$ rejected and H $_{2}$ accepted, meaning there is influence negative and significant between *leverage* to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period.

***Moderated Regression Analysis* (MRA) Test**

Regression Test Moderation This used for measure variable Y with based on variable X is multiplied with variable Y. Test this aim for know is variable moderation in research This can strengthen or weaken connection between variable X (*Operating Capacity* and *Leverage)* and variable Y (*Financial Distress)*. as for the results of the *Moderated Regression Analysis* test in table 4.9 are as follows following:

Table 4. 9 *Moderated Regression Analysis* (MRA) Test Results

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	Q	Sig.
1	(Constant)	,816	,056		14,637	,000
	Operating Capacity	1,440	,058	1,083	24,926	,000
	Leverage	,058	.041	,049	1,408	,160
	Company Age	,001	,002	,006	,554	,580
	Operating Capacity * Company Age	-.004	,002	-.080	-1,813	.071
	Leverage * Company Age	-.005	,002	-.077	-2,217	,027

a. Dependent Variable: *Financial Distress*

Source: SPSS Data Processing Output Version 25, 2023

Based on Table 4.9 above, the results of the moderation test can explained as following:

Firm Age Moderates *Operating Capacity* to *Financial Distress* (H $_{3)}$: Based on SPSS output results are obtained mark coefficient regression -0.004. If seen from mark coefficient B interaction moderation First own mark negative, yes interpreted that with exists age company will weaken influence *operating capacity* to *financial distress.* Previously *operating capacity* give influence positive to *financial distress* that causes increase in *financial distress.* However, there is age moderating company connection *operating capacity* with *financial distress* give influence negative so that strengthen decline *financial distress.* If seen from mark significance amounting to 0.071 which is more big from 0.05 (0.071 > 0.05) then H $_{3}$

rejected, which means variable age company No can moderate influence *operating capacity* to *financial distress.*

Firm Age Moderates *Leverage* to *Financial Distress* (H_4): Based on SPSS output results are obtained mark coefficient regression -0.005. If seen from mark coefficient B interaction moderation second own mark negative, yes interpreted that with exists the age of the company will be strengthen influence *leverage* to *financial distress.* Previously *leverage* give influence negative to *financial distress* that causes reduction in *financial distress.* However, there is Moderating Company Age connection *leverage* with *financial distress* give influence negative so that strengthen decline *financial distress.* If seen from mark significance amounting to 0.027 which is more small of 0.05 (0.027 < 0.05) then H_3 accepted, which means variable Company Age can be moderate influence *Operating Capacity* to *Financial Distress.*

Coefficient Test Determination (R^{2})

Coefficient determination (R^{2}) in essence used for measure how much big variable free capable explain change variable tied to it. If R value ^{2} small so ability variables independent in explained variable dependent limited. On research This coefficient determination (*Adjusted* R2) can seen in table 4.10 below This:

Table 4. 10 Coefficient Test Results Determination Multiple linear regression

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,995 [a]	,990	,990	.32004	2,012

a. Predictors: (Constant), LAGZ, LAGX1, LAGX2

b. Dependent Variable: LAGY

Source: SPSS Data Processing Output Version 25, 2023

Based on Table 4.10 above mark *R* (Coefficient Correlation) of 0.995 or 99.5% according to guidelines interpretation coefficient correlation, numbers This including into the category very strong influence Because is in the interval 0.80 – 1.00. Coefficient test results the above determination shows R^2 (R Square) of 0.990 or 99% and *adjusted R Square* of 0.990 or 99%. This matter show that *financial distress* influenced by *operating capacity* and *leverage* by 99%, meanwhile the rest 1 % is influenced by other variables that are not yet researched in study This:

Table 4. 11 Coefficient Test Results Determination of *Moderated Regression Analysis* (MRA)

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,994 [a]	,987	,987	.33918

a. Predictors: (Constant), *Leverage* * Company Age, Company Age, *Operating Capacity, Leverage, Operating Capacity* * Company Age

b. Dependent Variable: *Financial Distress*

Source: SPSS Data Processing Output Version 25, 2023

Based on Table 4.11 above mark *R* (Coefficient Correlation) of 0.994 or 99.4% according to guidelines interpretation coefficient correlation, numbers This including into the category very strong influence Because is in the interval 0.80 – 1.00. Coefficient test results the above determination shows R^2 (R Square) of 0.987 or 98.7% and *adjusted R Square* of 0.987 or 98.7%. This matter show that *financial distress* influenced by *operating capacity, leverage* and age company amounted to 98.7%, whereas the rest amounting to 1.3% is influenced by other variables that have not researched in study This.

Summary of Research Results

From the results of the data analysis test obtained researcher in study this, then results study can summarized as following This:

Table 4. 12 Summary of Hypothesis Results

Hypothesis	Sig.	T Count	T Table	Decision	Conclusion
H_1	0,000	143,560	1.968352	t count > t table, with sig. 0.000 < 0.05	Hypothesis Accepted
H_2	0.001	-3,468	1.968352	t count > t table, with sig. 0.001 < 0.05	Hypothesis Accepted
H_3	0.071	-1,813	1.968352	t count < t table, with sig. 0.071 > 0.05	Hypothesis Rejected
H_4	0.027	-2,217	1.968352	t count > t table, with sig. 0.027 < 0.05	Hypothesis Accepted

Source: Data Processing Results (2023)

Based on Table 4.12 above can concluded results study as following:

Hypothesis first (H $_{1)}$ is accepted, so proven *operating capacity* influential significant to *financial distress.* Hypothesis second (H $_{2)}$ is accepted, so *leverage* proven influential significant to *financial distress.* Hypothesis third, (H $_{3)}$ is rejected, so age company proven No moderate connection between *operating capacity* to *financial distress.* Hypothesis fourth (H $_{4)}$ is accepted, so age company proven moderate connection between *leverage* against *financial distress.*

Discussion of Hypothesis Test Results

Influence *Operating Capacity* against *Financial Distress*

Based on results of the hypothesis test above can is known that in a way Partial variable *operating capacity* has an effect to *financial distress* in the company manufacturers listed on the Indonesia Stock Exchange for the 2018-2022 period with positive direction. This matter show that the more tall *operating capacity* so the more the company is high experience *financial distress,* on the other hand If the more low *operating capacity* so the more low company experience *financial distress,* because low ability company in process source existing power. In other words, if asset fluent resulting company more big compared to with debt smoothly, then company will have ability in pay debt fluent so that can anticipate condition *financial distress.* In accordance with theory signal, which is where company give signal form information on condition useful company for investor side. If *operating capacity* experience increase, then level sales generated company expected can produce high profits for company than use of company assets. The more big profits obtained company can showing signal positive for internal investors do investment. With so the more big company obtain mark *operating capacity,* then predictions possibility situation *financial distress* the more small. When value *operating capacity* experience decline in a way Keep going continuously so predictions possibility situation *financial distress* will the more big (Safitri et al., 2022) . Research result This in line with study Eka & Wulandari , (2020) stated that *operating capacity* has an effect to *financial distress.* Research conducted by Safitri et al., (2022) state that *operating capacity* has an effect to *financial distress.* In line with research conducted by Livia Ramadhani & Khairunnisa (2019) in study the show that *operating capacity* has an effect to *financial distress.*

Influence *Leverage* against *Financial Distress*

Based on results of the hypothesis test above can is known that in a way Partial variable *leverage* matters to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the 2018-2022 period with negative direction. *Leverage* that is measured with DAR where company must notice managing debts owned. High use of debt if managed with Good will capable finance purchase asset company For support continuity activity company as well as support supply. If assets owned company tall so can push company obtain more profit as well as capable pay costs still company. High DAR value No always own probability high bankruptcy but also low. This matter Because company that owns high debt levels can fulfil purchase its assets and improve profit company (Made & Septiani, 2019) . Research result This in accordance with theory agency, continuity life company is in hand owner share. Holder share can decide For Keep going accept funding from party third or No. However if ratio debt held company too big, then holder share must be careful in do taking decision management companies and holders share No on purpose do just thing important himself Alone. Therefore that's the decision holder share about How finance asset company very important, because If agent use too a lot of party capital third For finance himself yourself, then will arise more obligations big in the future, p This will make business prone to in a way financial (Dewi et al., 2022) . Research result in line with research conducted by Atika et al., (2020) stated that *leverage* matters to *financial distress.* And in line with Rahma (2022) stated that *leverage* matters to *financial distress.*

Influence *Operating Capacity* to *Financial Distress* with Company Age as Variable Moderate i

Based on *Moderated Regression Analysis* (MRA) test results above show that age company No can moderate influence *operating capacity* against *financial distress* in the company manufacturers listed on the Indonesia Stock Exchange for the 2018-2022 period with negative direction. Age company is range walking something stated company with year. Age company calculated since company stand based on deed establishment until study done. There isn't any connection between *operating capacity* with *financial distress,* due to long time or new company stand Not yet can determine company experience condition *financial distress.* The length of the company operational No determine is something company can experience condition *financial distress* or No. Companies that have you can stand for a long time just finish problems and minimize them the thing that causes it difficulty finance. Because with many existing experience experienced by companies that have been around for a longer time Of course just can maintain company with as good as Possible. Research result This related with theory agency, which describes that management company as agent from the holders share will more important self alone or not Can become fair party to holder share and responsibility answer on operational company. From the description above, then age company No moderate influence *operating capacity* against *financial distress,* because the more low sale resulting company with use assets that do not effective For activity operational, then company will prone to to condition *financial distress.* In finishing problems, company need minimize problems that occur within company and can capable for utilise sale it's clean as well as total assets as effective and efficient as possible maybe, so possibility company experience small *financial distress.*

Influence *Leverage* to *Financial Distress* with Company Age as Variable Moderation

Based on *Moderated Regression Analysis* (MRA) test results above show that *leverage* matters to *financial distress* with age company as variable moderation in the company manufacturers listed on the Indonesia Stock Exchange for the 2018-2022 period with negative direction. That is, variable age company moderate and strengthen connection between variable *leverage* against variable *financial distress.* A company that has been around for a long time describe how old is the company can maintain operational and capable compete with company kind. A company that has been around for a long time can minimize risks that occur in company as well as own ability for manage the debt with OK, so possibility experience small *financial distress.* Whereas Companies that have recently been established tend to be not enough experienced for take decision in policy the debt, so potential experience *financial distress* is increasing big. This matter in accordance with theory agency, continuity life company is in hand owner share. Owner share can decide for do funding from party third or No. However If proportion debt held company too big, decision agent about funding asset company becomes very important, because If owner share too Lots using party funds third as funding, then will arise more obligations big later day, and p This will result company become prone to to finance.

CONCLUSION

Based on results analysis and discussion that has been done explained about influence *operating capacity* and *leverage* to *financial distress* with age company as variable moderation in the company manufacturers listed on the Indonesian Stock Exchange for the

2018-2022 period, then conclusion from study This is that: *Operating capacity* has an effect to *financial distress* in the company manufacturers listed on the Indonesian Stock Exchange for the period 2018 – 2022, *Leverage* influential to *financial distress* in the company manufacturers listed on the Indonesia Stock Exchange for the period 2018 – 2022, based on results analysis regression moderation or *Moderated Regression Analysis* (MRA) shows that age company No capable moderate connection between *operating capacity* against *financial distress,* Based on results analysis regression moderation or *Moderated Regression Analysis* (MRA) shows that age company capable moderate connection between *leverage* to *financial distress.*

See exists limitations in thesis this, writer realize Still there is no perfection in results study thesis This. So that writer suggests that Researchers realize that study This Still Far from perfect. For That researcher provide suggestions for study furthermore should add variable other identified independents can influence *financial distress,* such as *sales growth,* connections politics, size company and others. As well as using sample besides company manufacturing, like moving company in the field services, banking and others, so Possible can give results different research. For investors and creditors, results study This expected can give input in making decision investment, as well can made reject measuring for investors to evaluate *financial distress* in some company. For the Company, the information obtained from study previously can used as material consideration in take decision If in condition difficulty finance through *operating capacity,* and *leverage* to be able to do so with the right decision can interesting investor interest in embed shares in the company the.

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