

FINANCIAL DISTRESS ANALYSIS AT PT LINK NET TBK FOR 2019–2022 PERIOD

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ABSTRAK

Tujuan dari penelitian ini adalah untuk menentukan dan mengkaji tingkat kesulitan keuangan yang dialami oleh PT Link Net Tbk yang menjadi objek penelitian ini khususnya untuk periode 2019 - 2022. Teknik penelitian yang digunakan adalah Model Altman Z-Score versi terbaru yang telah dimodifikasi. Informasi yang digunakan adalah informasi kuantitatif yang diperoleh dari laporan keuangan tahunan periode 2019 sampai dengan tahun 2020. Variabel yang diteliti adalah rasio keuangan, meliputi rasio likuiditas khususnya *current ratio*, rasio profitabilitas khususnya laba ditahan, rasio *leverage* dan rasio solvabilitas. Dampak lanjutan dari penanganan informasi kemudian dipecah kembali menggunakan komputasi menggunakan model Z-Score. Hasil eksplorasi menunjukkan bahwa pada tahun 2019 PT Link Net Tbk masih dalam kondisi bagus atau aman. Pada tahun 2020 dan 2021 PT Link Net Tbk berada dalam kondisi kabur yang berarti mengindikasikan kesulitan keuangan. Hingga tahun 2022, PT Link Net Tbk pada akhirnya akan mengalami kesulitan keuangan yang luar biasa dan bahkan berpotensi mengalami kegagalan.

KEYWORD

Financial Distress; Altman Z-Score

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ABSTRACT

The purpose of this deepening is to determine and assess the level of financial distress experienced by PT Link Net Tbk, which is the object of this examination, especially for the period 2019 - 2022. The examination technique used is the latest version of the modified Altman Z-Score Model. The information used is quantitative information obtained from annual monetary reports for the period 2019 to 2020. The variables examined are financial ratios, there are liquidity ratio: current ratio, profitability ratio: retained earnings, leverage, and solvency ratio. The advanced impact of information handling is then broken down again using computation using the Z-Score model. The

exploration results show that in 2019 PT Link Net Tbk is still in good or safe condition. In 2020 and 2021 PT Link Net Tbk is in a blurred condition which means it indicates monetary woes. Until 2022, PT Link Net Tbk will eventually experience tremendous financial distress and even have the potential to fail.

INTRODUCTION

In essence, there are two main objectives of establishing a company, namely to generate profits or profits, both long-term and short-term and maximize the prosperity of company owners. Companies that have good financial performance will certainly be the target of investors because they are considered stable and able to return profits to these investors.

Swastha and Sukotjo (2002: 12) argue that a company is a development of an association that can provide results by using and organizing financial assets to achieve clearly beneficial needs. Another assessment says that the company aims to make the most profit, and this means that the company must complete its tasks successfully and professionally. In order for the goal to be achieved and profitable, the company's functional costs are set as the basis for achieving this goal (Martono and Harjito, 2010: 2).

Company profits are obtained from total revenue after deducting costs or liabilities that exist in the company. Generally, companies utilize the profits obtained to then be created or utilized as additional cash flow to continue and maintain the alignment of the company's actual business cycle.

Bankruptcy usually starts with monetary problems, which in this case is financial distress, which begins with the company's failure to meet the installments of the company's commitments or obligations, as stated by Curry and Banjarnahor (2018) that financial distress is a company's unhealthy or reduced financial condition until bankruptcy eventually occurs. Thus, financial distress is a condition when a company faces financial difficulties in fulfilling existing obligations. Financial distress can be interpreted as a liquidity challenge so that the company cannot carry out its duties properly (Trijadi 1999).

In addition, economic factors, errors in restructuring and management, and catastrophic events can be different variables that cause financial problems (Sudana, 2011).

Recently, PT Link Net Tbk has been hit by the issue of experiencing a financial distress phase and is even expected to experience bankruptcy. Reporting from existing news, one of which was published by CNBC Indonesia, the issue is suspected because the revenue obtained by PT Link Net Tbk has decreased greatly compared to the previous year. Please note that PT Link Net Tbk is a company that provides services through broadband communication networks, distribution of television programs and high-speed internet through networks in several regions in Java and Sumatra.

Through a little research that has been done, it is known that financial distress indicators are found in the financial statements of PT Link Net Tbk. Among them are: 1). The amount of obligations that must be paid by the company tends to increase; 2). Working capital continues to be negative; 3). It is indicated that it has high operational needs so that revenue decreases every year.

As a hope for the future, company leaders or managers should look for ways for the company to run well and successfully. Financial conditions can be an important variable and a benchmark for deciding whether the company's performance can continue to run smoothly or even not encounter obstacles. One way to find out the condition or performance of an organization is to investigate financial statements. Budget summary examination is an investigation by looking at or focusing on relationships and trends or patterns to determine the financial position and progress of a company (Munawir, 2010: 35). Furthermore, by dissecting the budget report we get data about the performance of a company, especially the financial position of the results that have been achieved. One of the ways used to measure the monetary woes of an organization is the Altman Z-Score strategy.

In 2022, PT Link Net Tbk has reported the results of its financial statements on the Indonesia Stock Exchange (IDX), where the results of the financial statements as of

December 2022 have disappointed its investors. PT Link Net Tbk experienced a 72% decrease in profit followed by a 2% decrease in revenue and an increase in expenses. The expenses that must be met by PT Link Net Tbk are the cause of the company's profit decline, one of which is interest expense which continues to be negative. If it continues to be allowed and is considered normal, it is possible that PT Link Net Tbk will experience bankruptcy or bankruptcy.

The following is a cut of the statement of financial position of PT Link Net Tbk for the period 2019 to 2022.

Table 1. Financial Statements of PT Link Net Tbk for the Period 2019 to 2022

In Billions IDR	2022	2021	2020	2019
Total Revenue	4371	4465	4048	3755
Total Cost of Goods Sold	-996	-963	-869	-748
Gross Profit	3375	3502	3179	3008
Total Operating Expenses	-2763	-2162	-1805	-1616
Operating Profit	612	1340	1374	1391
Other Income/Expense	-282	-191	-127	-151
Profit before tax	330	1149	1247	1240
Income Tax Expense	-89	-264	-305	-346
Other Comprehensive Income	9	24	18	-6
Total Comprehensive Income	250	909	959	889

Source: www.idx.co.id

The data above shows how the company's profit conditions have fluctuated over the past four years, until finally experiencing a drastic decline in 2022. It can be seen that the decline in performance can be seen from comprehensive income, which if percented, the decline reached 72% in 2022, where in 2021 the profit amounted to Rp. 909,000,000,000,000, - , down to Rp. 250,000,000,000,- in 2022. Total revenue, which

was initially valued at IDR 4,465,000,000,000 in 2021, decreased to IDR 4,371,000,000,000 in 2022. As for the company's expenses, the cost of goods sold actually increased in 2022 with a value of Rp. 996,000,000,000, - in negative value, not much different from the previous years, namely Rp. 963,000,000,000, Rp. 869,000,000,000, Rp. 748,000,000,000, - all of which were also negative in a row from 2019 to 2021. Then the total operating expenses also increased quite a lot, where in 2019 the total expenses of the company were only Rp. 1,616,000,000,000, -, then followed an increase in the following years, namely in 2020 in the amount of Rp. 1,805,000,000,000,-, 2021 in the amount of Rp. 2,162,000,000,000, - , and continues to increase until it reaches a value of IDR 2,763,000,000,000 in 2022.

Based on the data above, it can be seen that the amount of expenses that must be met by PT Link Net Tbk is quite high and continues to increase. It is suspected that the company's operational activities are one of the main causes of the increasing number of expenses that must be borne by the company.

PT Link Net Tbk is associated with financial difficulties or subsidies because the value of existing capital is lower than the value of its current liabilities and short-term liabilities from 2019 to 2022. Next is the liability report of PT Link Net Tbk:

Table 2. Total Liabilities of PT Link Net Tbk for the Period 2019 to 2022

Short-term Liabilities (in million rupiah)		Long-term Liabilities (in million rupiah)	
2019	1.813.323	2019	183.236
2020	2.818.011	2020	359.078
2021	1.964.255	2021	2.533.297
2022	4.684.427	2022	2.028.327

Source: www.idx.co.id

In the table above, it can be seen that starting around 2020 (the second year of the study period) the fulfillment of obligations increased slightly from Rp. 1,813,323,000,000,- in 2019 to Rp. 2,818,011,000,000,- in 2020. In 2021 there was a decrease in the fulfillment of obligations at PT Link Net Tbk to I D R . 1.964.255.000.000,- . However, in 2022 the company's liabilities again experienced a fairly high increase, which amounted to Rp. 4,684,427,000,000,- . If viewed from the side of the company's momentary obligations (liabilities), this will certainly be an obstacle for the company's finances, especially if followed by an increase in the rate of return, it will make it difficult for the company to fulfill its commitments. Especially when viewed from the period of obligations or responsibilities used by the company continues to increase. In 2020 it became Rp. 359,078,000,000,-, whereas the previous year, especially in 2019, it was only Rp. 183,236,000,000,-. Then in 2021 the increase increased again to Rp. 2,533,290,000,000,- . However, in 2022 PT Link Net Tbk indicated that it was unable to fulfill the obligations taken by the company so that its value fell to IDR 2,028,327,000,000.

Because of the background that has been described above, the researcher then wants to know, how is the level of the results of the Financial Distress analysis of PT Link Net Tbk for the period 2019 to 2022 based on the Altman Z-Score method.

LITERATUR REVIEW

A. Financial Distress

Financial distress according to Platt and Platt (2002) is a phase of decline in the financial value of the company before bankruptcy or liquidation. This can be illustrated by delays in transportation, reduced nature of labor and products, delays in corporate credit payments, and others. In addition, Annuri and Ruzikna (2017) in their study stated that financial distress is a condition where a company has no choice to fulfill its commitments or obligations and then take action to change company management or sell the company. The same thought about financial problems is also expressed by Hanifah and Purwanto

(2013), that companies experiencing financial distress will generally experience financial distress.

Liquidity difficulties are illustrated by a company's reduced capacity to meet its commitments to lenders and borrowers who experience deficiency or even liquidation. Cash that is lacking to continue its business again. From some of these thoughts, the researcher assumes that financial difficulties are a stage where the company is facing obstacles in the implementation of its company management, in this case its financial condition so that it cannot fulfill its commitments until it finally has the opportunity to face bankruptcy.

Whitaker (1999) states that management weakness can cause financial distress if the company is not in a bad condition. Other indicators that are signs that the company is experiencing financial difficulties are a decrease in sales volume caused by the manager's inability to implement marketing policies and strategies, dependence on taking large credit, then a decrease in the company's ability to achieve profits, the amount of dividends distributed is not appropriate, to a decrease in profit or income earned by the company even to a loss. The types of financial distress are economic failure, business failure, technical insolvency, legal bankruptcy, and bankruptcy insolvency.

Measuring financial distress can be done using several ways or methods, but in this research the author chose to use the Altman Z-Score method because it is easy to understand and can accurately predict company performance, in this case bankruptcy.

B. Altman Z-Score

Altman (1968) was the first researcher to apply Multiple Discriminant Analysis with five types of financial ratios which stems from the limitations of ratio analysis through his methodology, where each ratio is tested separately so that the ratio is not analyzed separately. The effect of a combination of these ratios is based solely on the judgment of the financial analyst.

The Altman Z-Score strategy is a score that arises because the normalized estimate is multiplied by certain financial indicators which will then indicate the level of possible bankruptcy of the company (Supardi, 2003: 73). Altman Z-Score is determined by finding a Z value that will indicate the financial condition and performance of a company, regardless of whether the company is in a healthy condition or not. Next is the improvement of the Altman Z-Score strategy:

First Altman Z-Score Model

In 1967, Edward I. Altman estimated the weakness of companies to failure using multivariate measurements using five key financial ratios and then shared the results the following year, specifically in 1968 as the main Altman Z-Score model. The formula is:

$$Z = 1.2X_1 + 1.4X_2 + 3.3X_3 + 0.6X_4 + 0.999X_5$$

According to Altman, the Z value is a number that can explain whether a company is facing financial challenges or is facing bankruptcy. The initial Altman model divides the Z value into 3 categories, namely:

- a. If the Z value is <1.8 , the company is facing liquidation.
- b. If the value is $1.8 < Z < 2.99$, then the company is in an unclear situation (it cannot be determined whether the organization is healthy or in liquidation).
- c. If the Z value > 2.99 then the company is in a safe or healthy position.

Second Altman Z-Score Model (Revised: 1983)

Utilizing the example of listed and unlisted organizations, Altman went on to create two models that were extensions of the main Z-Score. So that the model that has been created can be utilized for all companies. For non-listed companies, Altman replaced the market value in factor X_4 with the investor's book value. The Altman Z-Score model for non-listed organizations is:

$$Z = 0.717X_1 + 0.84X_2 + 3.108X_3 + 0.42X_4 + 0.988X_5$$

For this second model, the Z-Score value used for non-go public companies is:

- a. If the Z' value < 1.23 , the company is bankrupt.
- b. If the value is $1.23 < Z' < 2.9$ then it is in the gray area position.
- c. If the Z' value $> 2,9$ then the company's condition is safe.

Latest Altman Z-Score Model (Modified: 1984)

Following the times, there are many new studies on customization to make it more useful when used in specific areas of the company. In this technique, the proportion of agreements to add resources is discarded to make an impact on the industry. In addition, the examples used were also replaced by companies from developing countries. With the advancement of the adjusted Z-Score equation, the Z"-Score model is more adaptable as it can be used well for disclosure to both listed and unlisted companies, and that implies that it can be used in any organization. The formula is:

$$Z = 6.56X_1 + 3.25X_2 + 6.72X_3 + 1.05X_4$$

The Z value as a reference category in this model is:

- a. If $Z'' < 1.1$ then the company is categorized as bankrupt.
- b. If the value is $1.1 < Z'' < 2.6$ then the company is in a condition of gray area
- c. If the value of $Z'' > 2.6$ then the company is not experiencing problems in its financial performance (safe condition).

PT Link Net Tbk is currently a go public company so researchers chose the latest modified Altman Z-Score method as a tool to analyze this research.

Altman involves financial ratios in analyzing and forecasting the financial problems of a company, namely working capital divided by all assets, then retained earnings divided by

all total assets, then EBIT divided by all assets, then financial exchange rates divided by all bond book values, and transactions divided by all total company assets (Thohari, Sudjana, and A, 2015). The factors, which in this case are financial ratios used in the adjusted Altman model discriminant examination, are four (Agnes Sawir, 2000), specifically:

1. Net Working Capital to Total Assets (WTCA) which shows the ability of the company to create working capital from the complete resources (total assets) claimed by the company is actually by isolating the working capital divided by all assets. Working capital with negative values may face problems in meeting short-term obligations as there is insufficient capital to meet these obligations.
2. Retained Earnings to Total Assets (RETA) outlines a company's capacity to create retained earnings from all of its assets.
3. Earnings Before Interest and Tax to Total Asset (EBITTA) shows the company's capacity to create benefits from the company's assets, before interest installments and tax costs.
4. Book Value of Equity to Book Value of Liabilities shows the ability of the company in realizing how much capital is used to bear the burden of long-term obligations.

$$Z = 6.56X_1 + 3.25X_2 + 6.72X_3 + 1.05X_4$$

Where:

$X_1 = \text{Capital} / \text{Total Assets}$

$X_2 = \text{Retained Earnings} / \text{Total Assets}$

$X_3 = \text{Earnings Before Interest and Taxes} / \text{Total Assets}$

$X_4 = \text{Book Value of Equity} / \text{Book Value of Debt}$

C. Hypothesis

There are several main reasons why a company can be indicated to be experiencing financial distress or bankruptcy (Diwanti and Purwanto, 2020), namely 1). Neoclassical model, namely bankruptcy and financial difficulties experienced by the company occur if the company's management allocates resources in the company inappropriately; 2). Financial model, which is the management of assets correctly but the company's financial structure is wrong and there are constraints on the company's liquidity. This means that even if the company is expected to survive in the long term, the short term has a greater potential for bankruptcy; 3). Corporate governance model is a bankruptcy condition experienced by a company that occurs because the company has the correct assets and financial structure but is poorly managed so that it can cause the company to exit the market. This study uses the Altman Z-Score method to analyze the financial distress experienced by PT Link Net Tbk. As for which Underlying the hypothesis in this study is that when viewed from negative working capital, as well as a large liability burden, researchers suspect that PT Link Net Tbk is experiencing financial distress.

RESEARCH METHODOLOGY

The analyst chose PT Link Net Tbk in this paper as the object of exploration using the latest version of the Altman Z-Score examination technique. The information selected is quantitative information obtained from the annual fiscal report for the period 2019 to 2022 obtained from the page www.idx.co.id, especially the company's balance sheet and income statement. Researchers took data for that period with considerations based on existing annual financial reports. In 2019, PT Link Net Tbk almost never experienced problems in its performance. However, investors assess that PT Link Net Tbk's performance will decline in 2022, so researchers want to investigate the cause of this. Variables that need to be considered or dissected are financial ratios, which in this case are liquidity ratios, specifically the current ratio, then productivity ratios, specifically the retained earnings ratio; leverage ratios; and

profitability ratios. Then the results of the examination of variable information are redetermined based on the Z-Score model with the plan:

$$Z = 6.56X_1 + 3.25X_2 + 6.72X_3 + 1.05X_4$$

RESULT AND DISCUSSION

A. Net Working Capital to Total Asset (X1)

This variable is used to measure the company's performance ability to pay off the company's short-term obligations and to measure the level of liquidity of the assets of the company itself. The formulation is:

$$X_1 = \frac{\text{Net Working Capital}}{\text{Total Asset}}$$

The following is a table analyzing the net working capital to assets of PT Link Net Tbk for the period 2019 to 2022:

Table 3. Net Working Capital Table PT Link Net Tbk Period 2019- 2022 (in millions of rupiah)

Year	Working Capital	Total Assets	WCTA
2019	(9.147.59)	6.652.974	(0,14)
2020	(2.043.573)	7.799.803	(0,26)
2021	(1.103.607)	9.746.894	(0,11)
2022	(3.753.361)	11.644.794	(0,32)

Source: Secondary data

From the data above, it can be seen that in the last four years, every year, the working capital of PT Link Net Tbk has obtained a negative value every year, which means that the company is experiencing obstacles to fulfill the company's short-term obligations or debts due to insufficient current assets owned to cover a number of values of the

obligations or debts themselves. As a result, the WCTA value obtained is also negative. The following is a table of working capital of PT Link Net Tbk for the period 2019 - 2022.

Table 4. Working Capital of PT Link Net Tbk for the period 2019 - 2022 (in millions of rupiah)

Year	Current Assets	Current Payables
2019	898.564	1.813.323
2020	774.438	2.818.803
2021	860.648	1.964.255
2022	895.066	4.648.427

Source: www.idx.co.id

From this information, it is clear that the value of current liabilities that must be met by PT Link Net Tbk is always higher than the value of total assets owned by the company. This shows that the company's functioning capital is negative because the number of instantaneous liabilities or current liabilities is more prominent than the absolute current assets at PT Link Net Tbk.

B. Retained Earnings to Total Asset (X2)

This variable is a measurement of cumulative profitability or retained earnings by a company from its total assets, which reflects the age of the company and the strength of the company's income. The formulation and ratio analysis table for retained earnings to total assets of PT Link Net Tbk, namely:

$$X_2 = \frac{\text{Retained Earnings}}{\text{Total Asset}}$$

Table 5. Analysis of Retained Earnings to Total Asset PT Link Net Tbk Period 2019 - 2022 (in millions of rupiah)

Year	Retained Earnings	Total Assets	RE/TA
2019	3.134.037	6.652.974	0,47
2020	3.405.506	7.799.803	0,44
2021	4.032.133	9.746.894	0,41
2022	3.750.830	11.644.794	0,32

Source: Secondary data

Based on the results of the data processing, it can be seen that the value of retained earnings to total assets of PT Link Net Tbk for the period 2019 - 2022 continues to decline every year. The amount of retained earnings owned by PT Link Net Tbk for the period 2019 - 2022 tends to be high and not negative, but the total assets owned are greater than retained earnings and each year it increases. This means that the profit owned is not enough to finance all the assets of PT Link Net Tbk and the total assets owned by PT Link Net Tbk. inability to pay dividends in the last four years. This can also justify the fact that the financial condition of PT Link Net Tbk is in an unhealthy condition.

C. Earnings Before Interest and Tax to Total Asset (X3)

Earnings before interest and tax to total assets (EBITTA) serves to measure the level of productivity of the company's assets to generate profits and assets before interest and tax expenses. The following is the formula and results of the EBITTA analysis of PT Link Net Tbk for the period 2019 - 2022:

$$X_3 = \frac{EBIT}{Total Aset}$$

Table 6. Earnings Before Interest and Tax to Total Asset analysis PT Link Net Tbk 2019-2022 Period (in million rupiah)

Year	EBIT	Total Assets	EBIT/TA
2019	1.166.522	6.652.974	0,18
2020	1.104.461	7.799.803	0,14
2021	944.887	9.746.894	0,10
2022	43.078	11.644.794	0,00

Source: Secondary data

The data above shows the results of the EBIT analysis of the TA of PT Link Net Tbk for the period 2019 - 2022, and from the results of this analysis shows the low productivity of the assets (assets) of PT Link Net Tbk in generating profits. This means that the company still has not managed all of its asset and operational costs effectively. The company is becoming unproductive from year to year, and this is a problem for the company indications of financial distress. Even in 2022 PT Link Net Tbk did not make a profit, as evidenced by the achievement result of 0.00.

D. Book Value of Equity to Book Value of Liabilities (X4)

The variable in the solvency ratio interprets the company's ability, in this case PT Link Net Tbk, to determine the amount of capital owned by the company to bear the burden of liabilities in the long term. The formulas and tables for analyzing the book value of equity to book value of liabilities of PT Link Net Tbk for the period 2019 - 2022, namely:

$$X_4 = \frac{\text{Book Value of Equity}}{\text{Book Value of Liabilities}}$$

Table 7. Book Value of Equity to Book Value of Liabilities Analysis PT Link Net Tbk Period 2019 - 2020 (in million rupiah)

Year	Book Value of Equity	Book Value of Liabilities	BE/BVL
2019	4.656.415	1.996.559	2,3
2020	4.622.714	3.177.089	1,5
2021	5.249.342	4.497.552	1,2
2022	4.968.040	6.676.754	0,7

Source: Secondary data

In the data analysis results above, it is known that although the value of equity is high, the company's value has decreased or is getting lower since 2019 to 2022. This shows the inability of PT Link Net Tbk to cover its long-term liabilities based on its own capital which is also of small value, which causes an increased possibility that PT Link Net Tbk is experiencing financial distress.

E. Altman Z-Score Method Results

After all the results of the analysis of the financial ratios needed in the Altman Z- Score model at PT Link Net Tbk are known, then we can enter these values into the Altman formulation along with their respective weights. The following is a table of the results of the calculation or analysis of the Altman Z-Score model at PT Link Net Tbk for the period 2019 - 2022:

Table 8. Altman Z-Score analysis of PT Link Net Tbk Period 2019 - 2022

Year	6,56X1	3,26X2	6,72X3	1,05X4	Altman Z-Score
2019	-0,14	0,47	0,18	2,33	4,26
2020	-0,26	0,44	0,14	1,46	2,18
2021	-0,11	0,41	0,10	1,17	2,48
2022	-0,32	0,32	0,00	0,74	-0,26

Source: Secondary data processing results

From the results of the Altman Z-Score data processing, we can find out that the total value obtained in 2019 was quite high, namely 4.29, which means that when adjusted to

the interpretation of the altman model, in that year the performance of PT Link Net Tbk was in a safe or healthy position, in this case it was not in financial distress. However, in the following year, 2020, it decreased to 2.18 which then indicated that PT Link Net Tbk was in a gray area, namely PT Link Net Tbk was experiencing financial problems in the mild category but also had the possibility of experiencing financial distress. Furthermore, in 2021 there was another slight increase with a total of 2.48, but in this position PT Link Net Tbk is still experiencing a gray area. And in 2022 PT Link Net Tbk received a negative value of -0.26. This proves that In 2022, PT Link Net Tbk is experiencing a fairly large financial distress or even a loss, where the value obtained from the results of the Altman Z-Score analysis in 2022 even becomes negative and is below the standard value of companies that are experiencing financial distress, namely 1.1. When viewed from the table above, the biggest cause of PT Link Net Tbk experiencing financial distress is because the X3 variable, namely the number of assets owned, has not been able to generate profits for the company. For more details, the following is a table of interpretation of the Altman Z-Score value at PT Link Net Tbk for the period 2019 - 2022:

Table 9. Interpretation of Altman Z-Score Value at PT Link Net Tbk for the Period 2019-2022

Year	Altman Z- Score Result	Classification Z-Score	Description
2019	4,26	>2,6	Be in a safe position
2020	2,18	1,1 > Z >2,6	Gray area
2021	2,48	1,1 > Z >2,6	Gray area
2022	-0,26	< 1,1	Experiencing severe financial distress even bankrupt

Source: Secondary data processing results

When viewed in general, PT Link Net Tbk since 2019 - 2022 has experienced a decline in financial performance. For two years in the gray area position, in 2022 PT Link Net Tbk finally experienced severe financial distress or even was experiencing bankruptcy. Based on the aim of the Altmant Z-Score method, namely analyzing early signs or predicting company bankruptcy and the value of the analysis results, it can be seen that

PT Link Net Tbk in the future will definitely experience bankruptcy if improvements are not immediately made in its financial performance management, in this case compliance very high liabilities, and non-optimal use of assets to generate profits. Therefore, it is important for a manager or company leader, in this case PT Link Net Tbk, to be able to make effective and efficient decisions to solve problems, develop strategies, organize the company's performance, and maximize company management.

CONCLUSION

Based on the results of the analysis and calculation of the level of financial distress at PT Link Net Tbk for the period 2019 - 2022 using the Altman Z-Score model above, it can be concluded that PT Link Net Tbk is experiencing severe financial distress and may even experience bankruptcy. This means that the hypothesis in this study can be accepted. This can also be seen through:

1. In 2019 PT Link Net Tbk is still in a safe condition, because financial performance is still stable, the company is still able to fulfill its obligations.
2. In 2020 PT Link Net Tbk was in a gray area position because the Altman Z- Score analysis value obtained dropped to 2.18. This is most likely due to the capital of PT Link Net Tbk being considered unable to meet its short- term obligations.
3. In the following year, namely 2021, PT Link Net Tbk received a slight increase, but is still in a gray area position.
4. Until 2022, the Altman Z-Score value obtained dropped dramatically and even reached a negative value, which means that PT Link Net Tbk is indeed experiencing severe financial distress and is likely to experience bankruptcy.

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