

## **ABSTRACT**

*Financial distress is a condition where the company experiences a decline in its financial condition. It makes it difficult for the company to pay its debts and will experience bankruptcy. Mining companies in 2016-2019 that had the lowest average financial distress were in 2017 and 2019. This was due to a decline in profits during those years. Decrease in profit is one of the factors that can cause companies to experience financial distress. Another factor that can cause companies to experience financial distress is the high number of company debt. Companies that have low profits will certainly find it difficult to pay their debts so that it can cause the company to go bankrupt.*

*This study aims to determine the influence of profitability (ROA), leverage (DAR), managerial ownership and institutional ownership on financial distress. The measurement of financial distress in this study uses the Altman Z-Score model. The population in this study are mining companies listed on the Indonesia Stock Exchange (IDX) in 2016-2019. The sampling method in this study used a purposive sampling method. The number of samples obtained was 39 samples with a total of 159 observational data. However, there were 19 outlier data, so the sample in this study became 20 samples with a total of 80 observational data. The analysis in this study uses logistic regression analysis using SPSS 25 software.*

*The results of this study are simultaneously profitability (ROA), leverage (DAR), managerial ownership and institutional ownership have a significant effect on financial distress. Partially, the profitability variable (ROA) has a significant negative effect on financial distress. The leverage variable (DAR) has a significant positive effect on financial distress. Managerial ownership and institutional ownership have no effect on financial distress.*

*Suggestion for the company is to maximize the use of assets in order to reduce the use of debt and increase profits. For investors, it is advisable to invest their shares in companies that have high amount of return on assets (ROA) and low debt to assets (DAR) in order to avoid the possibility of companies going bankrupt.*

**Keywords:** *financial distress, institutional ownership, leverage, managerial ownership, profitability*