ABSTRACT

This study aims to analyze the influence of financial, non-financial factors, and intervening variables in predicting Financial distress in the Properti industry. Financial distress, which is an indicator of potential bankruptcy, has significant implications not only for companies but also for the overall economy. This research employs a quantitative approach by analyzing financial ratios such as liquidity (CR), profitability (ROA), leverage (DER), sales growth, and company size, as well as non-financial factors such as market conditions, management effectiveness, and external economic influences. Additionally, the role of intervening variables, particularly risk management, is explored to understand its mediation in the relationship between these factors and Financial distress.

The results indicate that profitability (ROA) and liquidity (CR) significantly influence Financial distress directly, while leverage (DER), sales growth, and company size do not have a significant direct impact. Risk management acts as a mediator, fully mediating the relationship between leverage and Financial distress, and partially mediating the relationship between liquidity and Financial distress.

These findings highlight the importance of monitoring profitability and liquidity as key indicators of financial risk, as well as strengthening the role of risk management in mitigating the negative impact of leverage on a company's financial health. This study provides valuable contributions to financial management by offering insights that can be used to formulate strategies for preventing Financial distress in the property industry.

Keywords: Financial distress , financial ratios, non-financial factors, intervening variables, property industry.