

ABSTRACT

Financial Distress is a situation where the company's financial condition is unhealthy or not good, characterized by a lack of equity and difficulty in meeting financial obligations within the payment period. Factors that cause financial distress are having low assets, high company leverage, and worsening company performance. Therefore, the company needs to take action to maintain the company's financial condition from financial distress or financial difficulties.

This study was conducted with the aim of determining the effect of independent variables, namely liquidity, leverage, profitability, and Firm Size on the dependent variable, namely financial distress.

The research object used in this study is the Clothing and Luxury Goods Sub-Sector Company listed on the Indonesia Stock Exchange for the 2016-2022 period. The sampling technique used by the researcher is purposive sampling. In this sampling, a sample of 14 company samples was taken from 22 total company samples and 98 sample data were obtained which were observed for seven years. The analysis technique used in this study is using the survival analysis technique which is processed using SPSS with the Cox Proportional Hazard Regression method.

The results of the study indicate that Liquidity, Leverage, Profitability, and Firm Size simultaneously have an effect because there are independent variables that provide additional impact on the model, resulting in a match in the model. Partially shows that Leverage and Firm Size have a significant effect on Financial Distress. While Liquidity and Profitability do not affect Financial Distress.

With this study, it is expected that further research will add variables outside the variables that researchers include in the study such as Salesgrowth, Intellectual Capital, or other variables, and increase the number of years of research to get a lot of variation in the data. For investors, try to expand connections as a consideration in making decisions for the company.

Keywords: *Cox Proportional Hazard, Financial Distress, Firm Size, Leverage, Liquidity, Profitability, Survival Analysis.*