

The Implications of Financial Distress Based on the Springate Model, Residual Income, and Basic Earning Power on Stock Return

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Abstract

This study aims to analyze the effect of financial distress using the Springate model, residual income, and basic earning power on stock return. The research employs a quantitative approach with the research object being the consumer cyclical sector listed on the Indonesia Stock Exchange during the 2020–2023 period. A purposive sampling technique was applied, resulting in 456 observational data with uneven distribution across each period. Hypothesis testing was conducted using multiple regression analysis with the assistance of STATA version 17. Based on the test results, it was found that financial distress and basic earning power had no significant effect on stock return, while residual income had a positive effect on stock return.

Keywords : *financial distress model springate, residual income, basic earning power, stock return*

Implikasi *Financial Distress* Berdasarkan Model *Springate*, *Residual Income* Dan *Basic Earning Power* Terhadap *Stock Return*

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Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh *financial distress* model *springate*, *residual income* dan *basic earning power* terhadap *stock return*. Penelitian ini menggunakan pendekatan kuantitatif dengan objek penelitian berupa sektor *consumer cyclical* yang ter-listing di Bursa Efek Indonesia selama periode 2020-2023. Teknik *purposive sampling* diterapkan dan menghasilkan sebanyak 456 data observasi dengan pendistribusian tidak merata setiap periodenya. Pengujian Hipotesis digunakan analisis regresi berganda dengan bantuan aplikasi STATA versi 17. Berdasarkan hasil pengujian, ditemukan bahwa setiap variabel independen yang terdiri dari *financial distress*, *basic earning power* tidak memiliki pengaruh terhadap *stock return* sedangkan untuk *residual income* berpengaruh positif terhadap *stock return*.

Kata Kunci : *financial distress model springate, residual income, basic earning power, stock return*