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The Effect Of Profitability, Financial Distress And Lotteryness On Stock Return On Properties And Real Estate Companies Listed On The Stock Exchange Indonesia Period 2019-2023

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Abstract: *This study intends to look at the effect of profitability, financial distress and lotteryness on stock returns in property and real estate companies listed on the Indonesia Stock Exchange in the 2019-2023 period. The research principle applied is a quantitative approach using multiple regression analysis. The sample collection technique uses Purposive Sampling. This study utilizes the SPSS application to process data that requires financial statements and stock prices from 10 companies studied. The results of the study revealed that profitability, financial distress and lotteyness simultaneously had a positive and significant impact on stock returns, which means that the hypothesis was accepted. Then, profitability has a negative and significant impact on stock returns, which means that the hypothesis is rejected. In addition, financial distress has a positive and significant impact on stock returns, which means that the allegations are rejected. And lastly, lotteryness has a positive and significant impact on stock returns which means that assumptions are approved. These findings indicate that increasing profitability and managing more stable financial conditions can increase investors' perception of the company's performance. In addition, understanding market perception of stocks that have lottery characteristics can be part of a communication and risk management strategy, especially in managing investor expectations for potential returns and risks.*
Keywords*: Profitability, Financial Distress, Lotteryness, Stock Return*

INTRODUCTION

Investors are individuals or institutions who buy, hold, or sell shares in the capital market with the aim of making a profit. The ultimate goal of the investor is to receive the return of the shares which is the profit that any company, individual, or institution can earn. Investors can profit from shares through dividends or from the company's share price (Capital gains)(Br Purba, 2019).

To minimize the threat of financing and achieve the expected returns, investors need to carry out special calculations or analysis when deciding to invest (Devaki, 2017). Investors are confident to buy the company's shares if it succeeds. Most investors invest after seeing how the business performs and the profits it generates (Raprayogha, 2017).

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Stock return is income described as a percentage of the initial capital of the funding. *Return* It can be a return to the realization that has occurred or a return of hope that has not arisen but that which is desired will exist in the future (Nurul Fajri Arif et al., 2024). The level of profit income that investors expect to earn over a certain period of time is known as Stock Return. (Endri et al., 2019).

The following chart shows the stock return position of Properties & Real Estate companies listed on the Indonesia Stock Exchange (IDX) from 2009 to 2019.

***Figure 1**. Stock Return Chart of Companies in the Properties & Real Estate Sector*

The figure above shows that from 2014 to 2018, there was a fluctuation in Stock Return, with significant increases and decreases. Thus, the Stock Return company Properties and Real Estate fluctuating, reaching its highest point in 2015 of about 305% and its lowest point in 2017 of about 175%. The uncertain state of the company's financial performance triggers anxiety for investors and prospective investors to invest their capital in this area (Setijadi & Indrawati, 2023).

According to bareksa.com article, the property stock index only rose by 6% in 2016, much lower than the Composite Stock Price Index (JCI) which rose by 16.1 percent in the same period. As a result, the property and real estate sectors are facing significant increases. This is also due to the low purchasing power of Indonesian people (bareksa.com).

The impact of revenue growth on stock performance indicates low purchasing power reduces interest in new properties, declining transactions, and an increase in unsold stock. Since property companies often provide large discounts to attract buyers, this has an impact on the profit margins of property companies. Limited funds hinder diversification and expansion, and declining investment in new projects impacts stock prices and stock returns (mckinsey.com).

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Profitability namely an indicator that is used to calculate the effectiveness of management as a whole by taking into account the size of Profit received in connection with trade or investment. Comparison numbers applied to measure Profitability Is Return on Asset (ROA) is a comparison that shows how significant the role of resources is in generating net income (Widiarini & Dillak, 2019).

Yield reward is the flow of funds or income owned periodically from investment and capital gains (losses) as the second stage of Return, i.e. an increase (decrease) in the value of a security, such as securities or long-term debt, which is able to provide Profit or deficit for investors. As the increase Profitability, the value of the company will increase, then the value of the stock will increase and the yield of the stock will also increase (Intariani & Suryantini, 2020).

Financial distress is a situation where the business entity's finances are unstable or down. This starts with liquidity difficulties, which prevent business entities from meeting their obligations to creditors. This is the same as the peak of the failure of the availability of funds that can lead to bankruptcy. This circumstance encourages managers to take the initiative to cover the financial failures of their business by increasing revenue and covering losses (Bachmid et al., 2021).

The theory of corporate bankruptcy research has been around since the 60s. According to Altman, the company that filed for the closure of the company to the legal department located at the location was considered malfunctioning. This encourages businesses when facing financial problems, will have an impact on market reactions, in turn want to lower the stock exchange rate as well as reduce the return on the stock (Laurens & Mulyani, 2022).

Lottery is an extreme variant of a future growth option that has little chance of high payoff growth. Lotteryness may represent growth options in a more extreme form (rare events) as well as increased risk exhibited by gambling-like behaviors, both of which can increase the value of future growth options (Bali & Trigeorgis, 2017).

Most investors are attracted to stocks with characteristics that resemble lotteries, or stocks that offer very high chances of return even though the odds are very small. These stocks typically have a large beta, positive skewness, and high volatility. Investors tend to pay more for stocks with features such as lotteries, which leads to Mispricing price. Therefore, stock returns tend to be lower

than conventional risk expectations. Because investor expectations are not in line with the real performance of stocks, high-risk stocks often generate inconsistent returns, especially when the market faces uncertainty or high volatility (Bali et al., 2015).

Economic policy elements such as interest rates and rising cost of living, which create market instability, often affect property price fluctuations, affect risk and returns, especially for investors facing limited diversification. When diversification is limited, the risk posed by price volatility in a single property asset becomes greater, making investors more vulnerable to large losses. Therefore, to mitigate the impact of price uncertainty on the industry, a prudent diversification and risk management strategy is essential (Sagi, 2021).

There are several property companies in Indonesia that are affected by stock return fluctuations, including PT Bumi Serpong Damai Tbk (BSDE) which is affected by stock fluctuations due to project developments that depend on economic conditions and purchasing power (bisnis.com). PT Ciputra Development Tbk (CTRA) experienced fluctuations in the property sector, including mortgage interest which affected the performance of its shares (snips.stockbit.com). PT Summarecon Agung Tbk (SMRA) shares that were impacted due to changes in property policies related to property loans and interest rates (bisnis.com)

Furthermore, PT Pakuwon Jati Tbk (PWON) was affected by stock fluctuations due to stock increases and monetary policies that affected people's purchasing power (pakuwonjati.com). PT Lippo Karawaci Tbk (LPKR) whose stock performance was affected due to the government's policy in restricting property loans (fitchratings.com). The last is PT Agung Podomoro Land Tbk (APLN) whose shares fluctuate in line with property demand which tends to decline due to economic conditions (bloombergtechnoz.com).

Based on the background of the research, regarding the phenomenon of stock return and previous research that is not in line with the vulnerability of fluctuations in stock returns, therefore the researcher is interested in researching with the title "The effect of profitability, financial distress and lotteryness on stock returns on property companies and real estate listed on the Indonesia stock exchange for the 2019-2023 period".

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METHOD

This study applies an associative approach by collecting company data Properties and Real Estate obtained from the Indonesia Stock Exchange to test hypotheses and relationships between variables. (Sugiyono, 2014)In this study, the sampling method used Purposive Sampling. Purposive Sampling That is, the sampling strategy is carried out by determining certain properties.(Sugiyono, 2015)

This study used secondary data, i.e. data that had been previously obtained from others; Direct data collection from the study subjects is not included. Documents are one of the secondary data sources. The document referred to in this study was obtained from the annual financial statements for the 2019-2023 period which is historical data of companies in the property sector and (Sugiyono, 2021)Real Estate that will be researched can be accessed on the website www.idx.co.id. The table of research instruments is as follows:

Variable	Indicators	Scale
Profitability (X1)	Profitability is assessed by applying Return on Assets (ROA). ROA is used to understand how well a business entity is in making a profit. ROA=Earning After Tax _____ Total Assets (Asikin et al., 2021)	Ratio
Financial Distress (X2)	Financial distress is determined by the Altman Z-Score. The Altman Z-Score is used to determine the stage of possible bankruptcy of a business entity. Z=1.2 X1 + 1.4 X2 + 3.3 X3 + 0.6 X4+ 1.0 X5 Information: Z = Bankruptcy Index X1 = Working Capital (Current Assets – Current Debt) / Total Assets X2 = Retained Earnings / Total Assets X3 = Earnings Before Interest and Taxes / Total Assets X4 = Market Value of Common Stock and Preferred Stock / Book Value of Total Debt X5 = Sales / Total Assets Classification: 1. Z-Score > 2.99 is classified as a very healthy business entity, so it can be classified as a stable organization. 2. 1.81 < Z-Score < 2.99 are in risk areas when the organization cannot be declared whether or not it is part of a bankrupt business entity. 3. Z-Score < 1.81 is classified as an organization that has an impressive financial failure and has the potential to go out of business.	Ratio

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	(Kewal, 2020)	
Lotteryness (X3)	Lotteryness is measured with MAX and MIN to find out the daily return of shares in a single month that has the potential to have a lottery-like. 1. $MAX\ i,t = \max(R\ i,d)$ $d = 1,\ldots, D\ t$ 2. $MIN\ i,t = -\min(R\ i,d)$ $d = 1,\ldots, D\ t$ Information: MAX = maximum daily return in one month MIN = minimum daily return in a month R i,d = Profit on shares I on day d D t = number of trading days in the month t. Criterion: MAX: Measured as the highest return a stock achieves in a period (for example, in a month or a few days). Stocks with a high MAX tend to have a speculative or "lottery-like" element, where investors are tempted by the potential for big profits despite the small probability. 1. MIN: Sometimes used to describe the lowest returns of a stock in the same period, although the main focus is usually on the MAX. MIN is more relevant in the context of extreme downside risk. (Whitelaw, 2009)	Ratio
Stock Return *(Y)*	Stock return is measured using the following total return formula: $Rt=(Pt-Pt_{-1})+DPt_{-1}$ Information: Rt = *Return* Total Pt = stock price this year Pt_{-1} = stock price in the last year *D* = dividends per share distributed periodically (Devaki, 2017)	Ratio

Table 1. *Research Instruments*

RESULT AND DISCUSSION

Classic Assumption Test

Data Normality Test Results

A basic assumption that parametric tests, including linear regression, t-test, and ANOVA must meet, is that the data processed in these studies must be normally distributed. When the data is distributed normally, the results of data analysis will be more valid and can be interpreted correctly (Ghozali, 2018).

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		5
Normal Parameters, b	Mean	.0000000
	Std. Deviation	.73991933
Most Extreme Differences	Absolute	.293
	Positive	.293

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	Negative	-.146
Test Statistic		.293
Asymp. Sig. (2-tailed)		.186c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Table 2. *Data Normality Test*
Source: SPSS 25, 2025

In table 4.2, the results of the normality test with a significance value (Asymp. Sig. (2-tailed)) obtained were 0.186. In the normality test, the test is carried out using two statistical hypotheses, namely:

H_0 (Hypothesis zero): Normally distributed data

H_1 (Alternative hypothesis): Undistributed data is normal.

Decision benchmark: H0 is approved when the significance value > 0.05, and H0 is not approved when the significance value ≤ 0.05. So in table 4.2 indicates that the significance value of 0.186 is greater than 0.05, then the data is normally distributed. The results of the normality test showed that the data in the distributed regression model was normal. If the assumption of normality is met, hypothesis estimation and testing can be done more accurately and the results are reliable. In addition, the normality of the data indicates that the relationship between independent and dependent variables in the model has been formed proportionally and free from systematic deviation patterns.

Multicollinearity Test Results

The multicollinearity test was applied to find out if there is a significant linear relationship between independent variables in the regression model. This can cause the regression coefficient estimate to be inaccurate because multicollinearity causes the interpretation of the influence of each independent variable to be inaccurate (Ghozali, 2018).

Coefficient		
	Collinearity Statistics	
Type	Tolerance	VIVID
Profitability	.844	1.185

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1	Financial Distress	.924	1.082
	Lotteryness	.826	1.211

a. Dependent Variable: Stock Return

Table 3. *Multicollinearity Test*
Source: SPSS 25, 2025

Referring to table 4.3, the variables of profitability (X1), financial distress (X2) and lotteryness (X3) have a VIF value of less than 10 and a tolerance above 0.1 or 10%. Thus, it can be concluded that all independent variables do not have a multicollinearity problem.

The results of the multicollinearity test indicated that all independent variables had a tolerance value greater than 0.10 and a VIF value of less than 10. This shows that the regression model does not show symptoms of multicollinearity. As a result, independent variables can be used simultaneously without disturbing the stability of the model. In addition, the regression results remain reliable, which makes the interpretation of the influence of each variable more plausible and accountable.

Heteroscedasticity Test Results

The heteroscedasticity test was realized by applying the Glejser method which regresses the fixed value of the difference regarding the independent variable to understand whether the regression model faces a difference in variance, or an error variance that is not constant on each value of the independent variable. It can be said that there is no heteroscedasticity if the significance value of the Glejser regression result is greater than 0.05. Therefore, the model meets classical assumptions and regression results can be considered valid (Ghozali, 2018).

Coefficient						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.274	.130		9.833	.000
	Profitability	-2.200	1.205	-.270	-1.827	.074
	Financial Distress	.016	.040	.058	.412	.682
	Lotteryness	.013	.010	.199	1.335	.189
a. Dependent Variable: Stock Return						

Table 4. *Heteroscedasticity Test*
Source: SPSS 25, 2025

All independent variables include significance values above 0.05, as described in the results in Table 4.4. This indicates that the regression model does not show a characteristic of heteroscedasticity. Therefore, the classical assumption of variance similarity has been fulfilled by

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Volume 3 No 2 July 2026
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the model used, so that the results of estimation and testing can be trusted and appropriate for more in-depth studies.

Autocorrelation Test Results

Autocorrelation tests are typically used on periodic or time series data. It is used to examine whether there is a relationship between the error value at a given time and the error value in the elapsed period in the ejection analysis. If not addressed, this can cause parameter estimation to be less effective and interfere with the validity of statistical tests (Ghozali, 2018).

Autocorrelation Test

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.149a	.022	-.043	1.04590	2.177
a. Predictors: (Constant), Lotteryness, Financial Distress, Profitability					
b. Dependent Variable: Stock Return					

Table 5*. Model Summaryb*
Source: SPSS 25, 2025

Based on table 4.5, the results of the autocorrelation test show a Durbin-Watson (DW) value of 2.177. This value is between the upper limit value (du = 1.6739), dl of 1.4206 and the upper limit of its complementary value (4 – du = 2.3261). Since the DW value is in the range of 1.6739 < 2.177 < 2.3261, it can be said that there is no autocorrelation in the regression analysis. Therefore, the presumption of error independence has been met, and the regression model is considered worthy of further statistical analysis.

Hypothesis Testing and Data Analysis

Determinant Coefficient Test

The purpose of the determination coefficient test is to find out how effective the regression method can be in describing the diversity of dependent variables affected by independent variables. The higher the R^2 value, the more variation of the dependent variable can be described by the independent variable in the analysis. In contrast, a lower R^2 value indicates that the majority of the diversity of dependent variables is exposed by aspects that are not present in the model (Ghozali, 2018).

Model Summary

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Volume 3 No 2 July 2026
E-ISSN: 3090-3145
https://journal.as-salafiyah.id/index.php/ijemr/index
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Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.969a	.939	.935	.368231

a. Predictors: (Constant), Lotteryness, Financial Distress, Profitability

Table 6. *Determinant Coefficient Test (R^2)*
Source: SPSS 25, 2025

According to the results of the determination coefficient test presented in table 4.6, the value of R square shows that 9.39% of the diversity of dependent variables can be expressed by the independent variables used in the analysis. The adjusted value of R square is a form of adjustment of the R square that takes into account the total of independent variables in the model, resulting in a more accurate estimate. This adjustment is important to prevent bias due to the addition of irrelevant variables in the regression model.

F Test (Simultaneous)

The F test or simultaneous test is used to identify whether all independent variables, namely profitability (X1), financial distress (X2) and lotteryness (X3) simultaneously have a significant impact on stock return (Y). The results of the F test are described in the following table 7.

ANOVA[a]

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	95.214	3	31.738	234.067	.000b
	Residual	6.237	46	.136		
	Total	101.452	49			

a. Dependent Variable: Stock Return
b. Predictors: (Constant), Lotteryness, Financial Distress, Profitability

Table 7. *Test F*
Source: SPSS 25, 2025

The simultaneous effect of profitability, financial distress and lotteryness on stock returns The first assumption in this study states that profitability, financial distress and lotteryness simultaneously have a positive and significant impact on stock returns in companies in the property and real estate sectors. According to the results of the simultaneous test shown in table 4.7, the variables of profitability, financial distress and lotteryness simultaneously had a calculated f-value of 234.067, which is much larger than the f-value of the table of 2.802 and had a significance value (p-value) of 0.000 which means it is less than 0.05. Thus, the first hypothesis (H1), namely "profitability, financial distress and lotteryness simultaneously have a positive and significant impact on stock returns in the property and real estate sectors on the IDX," is accepted.

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T Test (Partial)

Analysis of the specific influence of independent variables including profitability, financial distress and lotteryness on dependent variables, namely stock returns, is presented in the following table 8.

Coefficient						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.832	.085		9.756	.000
	Profitability	-2.065	.080	-1.005	-25.972	.000
	Financial Distress	.100	.026	.153	3.879	.000
	Lotteryness	.014	.006	.087	2.333	.024
a. Dependent Variable: Stock Return						

Table 8*. T test*
Source: SPSS 25, 2025

The effect of profitability on stock returns

According to the second hypothesis of this study, profitability has a positive and significant impact on stock returns in property and real estate companies. However, it is known that the profitability variable has a calculated t-value of -25.972 which is much lower than the table t-value of 1.678 and also has a significance value (p-value) of 0.000 which means that the value is lower than 0.05. This result indicates that profitability actually has a negative and significant impact on stock returns, contrary to the relationship expected at first. Thus, the second hypothesis (H2), namely "Profitability has a positive and significant effect on stock returns in the property and real estate sectors on the IDX," was rejected.

The effect of financial distress on stock returns

The third hypothesis of this study is that financial distress has a negative and significant impact on stock returns in property and real estate companies. However, it is known that financial distress has a calculated t-value of 3,879, much greater than the table t-value of 1,678, and has a significance value (p-value) of 0.000, which means that the value is lower than 0.05. This result explains that contrary to the expected direction of the relationship in the initial hypothesis, financial distress actually has a positive and significant impact on stock returns. Thus, the third hypothesis (H3), namely "Financial distress has a negative and significant effect on stock returns in the property and real estate sectors on the IDX," is rejected.

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editoriemr@gmail.com

The effect of lotteryness on stock returns

According to the fourth hypothesis of this study, lotteryness has a positive and significant impact on stock returns in property and real estate companies. The lottery variable has a positive and significant impact on stock returns, as shown by the results of the partial test shown in table 8. In addition, this variable has a calculated value (t calculated) of 2.333, much larger than the table t-value of 1.678, and has a significance value (p-value) of 0.024, which means it is smaller than 0.05. Therefore, the fourth hypothesis (H4), namely "Lotteryness has a positive and significant effect on stock returns in the property and real estate sectors on the IDX," is accepted.

Discussion

The Simultaneous Effect of Profitability, Financial Distress and Lotteyness on Stock Return

Based on the results of the research carried out, it was found that profitability, financial distress and lotteyness simultaneously had a positive and significant impact on stock returns, which means that the hypothesis was accepted. Profitability, financial distress, and lotteryness simultaneously have a positive and significant impact on stock returns, meaning that all three together affect the amount of profit that investors get from stocks. The existence of a positive and significant simultaneous influence indicates that when profitability increases, the company is in a state of distress but is considered to still have the potential for improvement, and the stock has lottery characteristics, so investors tend to respond positively, so that the stock price and the resulting returns also increase.

The results of the study obtained are in line with the study carried out by Purba (2019), which revealed that companies that are able to produce Profit high, has a tendency to high stock prices, so investors will get maximum returns. The results of this study are in line with the study carried out by Kewal (2020), which indicates that information on potential bankruptcy is decisive as it will benefit various parties, especially lenders and investors. These findings indicate that Financial Distress measured with the Altman Z-Score has a positive and significant impact on Stock Return. The results found are in line with the study carried out by Wang & Lou (2021), which reveals that Stock Return will increase and decrease as the Stock Return lotteries as a whole, especially stocks

with clearer lottery characteristics so that Lotteryness have a positive and significant impact on Stock Return.

The Effect of Profitability on Stock Return

Based on the results found, profitability has a negative and significant impact on stock returns, which means that the hypothesis is rejected. The results of this study indicate that the greater the level of profitability of a company, the smaller the stock return received by investors. Theoretically, profitability reflects a company's proficiency in generating profits, which should be a positive sign for stakeholders and encourage an increase in the value of a security. However, these results show a different market response. One of the main reasons that suggests a negative relationship between profitability and stock return is investor distrust of the quality of the company's profits. In the property and real estate sectors, companies tend to have fluctuating cash flows because they depend on long-term development projects and irregular revenue recognition. This condition causes high profitability, especially those derived from accounting profits, not necessarily reflecting overall financial health.

These results are in agreement with a study conducted by Azzahra (2020) which found that profitability measured by ROA has a negative effect on stock returns in property and real estate companies. The study explains that high profits are not necessarily supported by the strength of cash flow or long-term growth. This study is also in line with the research of Sari and Wiksuari (2017) which stated that market expectations that are too high for companies with large profits cause price corrections when profit realization is not as good as expected. Meanwhile, Puspita and Suaryana (2016) also found that investors are more interested in companies with growth prospects than just momentary profit performance so that profitability has a negative and significant impact on stock returns.

The Effect of Financial Distress on Stock Return

Based on the results obtained, it was found that financial distress had a positive and significant effect on stock returns , which means that the hypothesis was rejected. According to the results of the study, it was found that financial distress has a positive and significant impact on stock returns, which is contrary to the initial hypothesis that states a negative influence. These findings suggest that difficult financial conditions are not always responded negatively by the

market. In some conditions, investors actually see financial distress as an opportunity to earn higher profits.

The results of this study are in line with the research carried out by Kewal (2020), which explains that early warning information on bankruptcy is crucial because it can benefit various parties, especially creditors and investors. This indicates that Financial Distress assessed with the Altman Z-Score has a positive and significant impact on Stock Return. This is also in agreement with the study conducted by Nugroho et al. (2021) and Wada and Wahyuni (2024) who found that Financial Distress has a positive influence on Stock Return on the company Properties and Real Estate in Indonesia. This suggests that investors may see the potential for recovery or restructuring that could increase the company's value in the future.

The Effect of Lotteryness on Stock Return

According to the results obtained, lotteryness has a positive and significant impact on stock returns, which means that the allegations are approved. The results of the study show that the lottery variable has a positive and significant impact on stock returns, so the allegation that the lottery has a positive effect on stock return is acceptable. These findings suggest that the characteristics of stocks that have a speculative element or resemble a "lottery" characterized by very high profit potential even though the odds are small tend to attract investors, especially those who are willing to take high risks for the sake of large returns.

The results obtained are clarified by the study carried out by Wang & Lou (2021), which mentions that Stock Return will increase and decrease as the Stock Return lotteries as a whole, especially stocks with clearer lottery characteristics so that Lotteryness have a positive and significant impact on Stock Return. This research is also strengthened by a study conducted by Bali & Trigeorgis (2017) which explains that Lotteryness have a positive and significant impact on Stock Return.

CONCLUSION

Based on the results of the research obtained and the description in the previous chapter, the author was able to draw conclusions, namely: The first hypothesis agrees with the results of the study obtained, which shows that profitability, financial distress and lotteryness simultaneously

have a positive and significant impact on stock returns. This indicates that when profitability rises, the company is in a state of distress but is considered to still have the potential for improvement, and stocks have lottery characteristics, so investors tend to respond positively, as a result of which the stock price and the resulting returns also increase. For the second hypothesis that describes profitability having a positive and significant impact on stock returns, contrary to the results of the study found, namely profitability has a negative and significant impact on stock return. This indicates that Profitability, which is not supported by strong operating cash flow, makes investors cautious and even respond negatively, because they consider the profit to be unsustainable.

In the third hypothesis, it is stated that financial distress has a negative and significant effect on stock return, which is not in line with the results of the research found, namely financial distress has a positive and significant impact on stock return. This situation explains that investors tend to demand higher returns as compensation for the risks taken when investing in financially distressed companies. Finally, the fourth hypothesis suggests that lotteryness has a positive and significant impact on stock returns in line with the results of the study. This indicates that the characteristics of stocks that have a speculative element or resemble a "lottery" characterized by very high profit potential even though the odds are small tend to attract investors, especially those who are willing to take high risks for the sake of big returns.

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