

ABSTRACT

Profitability is a key indicator used to assess managerial effectiveness and a company's competitiveness in the market. This study is motivated by both a phenomenon gap and a research gap regarding the inconsistent findings on the influence of internal company factors on profitability, particularly in the consumer staples sector in Indonesia. This study examines the effect of Working capital management, liquidity, leverage, and intangible assets on financial performance, as measured by profitability, while considering firm size and firm efficiency as control variables.

This research employs a quantitative approach using secondary data derived from annual financial statements. The sample includes 31 consumer staples companies listed on the Indonesia Stock Exchange from 2019 to 2023, selected through purposive sampling. Data were analyzed using Eviews 13 software and panel data regression. The results indicate that cash conversion cycle, Current ratio, debt-to-equity ratio, and intangible assets have a significant positive effect on return on assets. The control variables, firm size and firm efficiency, also showed a significant effect on profitability. These findings suggest that effective management of working capital, liquidity, capital structure, and intangible assets can enhance a firm's profitability.

Keywords: cash conversion cycle, Current ratio, debt to equity ratio, intangible assets, return on asset