

ABSTRACT

This study aims to determine the effect of working capital management, proxied through the Cash Conversion Cycle (CCC), Liquidity (CR), Working Capital Turnover (WCTO), Inventory Conversion Period (ICP), Receivable Conversion Period (RCP), and Payable Deferral Period (PDP), on the profitability of the company, proxied through Return on Assets (ROA), with control variables being Firm Size (SIZE), Leverage (LEV), Sales Growth (SG), and GDP Growth (GDPGR).

The sample used in this study consists of manufacturing sector companies in the ASEAN-5 (Philippines, Indonesia, Malaysia, Thailand, and Singapore) from 2021-2023. The selected and used sample amounts to 605 companies. The analysis method of this research uses panel data regression and is processed using Eviews 12.

The results of this study indicate that the variables CCC, CR, WCTO, ICP, and PDP have a significant positive effect on ROA. Meanwhile, RCP has a significant positive effect on ROA, and the variables CCC, CR, and ICP are nonlinear.

Keywords: Working Capital Management, Profitability, Cash Conversion Cycle, Liquidity, Working Capital Turnover, Inventory Conversion Period, Receivable Conversion Period, Payable Deferral Period, ASEAN-5, Manufacturing