# *ABSTRACT*

*This study investigates the nonlinear impact of the Cash Conversion Cycle (CCC) variable on profitability, as measured by Return on Assets, followed by control variables consisting of company size (SIZE), sales growth (GROWTH), company age (AGE), leverage (LEV), and liquidity (CR) in the property and real estate sector in Indonesia. The research is expected to add insight into the study of financial management development, provide information for decision making on determining working capital policies, and can be used as a reference for further research.*

*The research method used is dynamic panel data analysis Generalized Method of Moments (GMM) in EViews12. The object of research involved 43 property and real estate companies listed on the IDX for the 2017-2019 period which were taken by purposive sampling method, with data obtained from Bloomberg sources. The analysis technique uses the GMM specification test (Arellano-Bond and Sargan Test), Wald test, and t statistical test.*

*The Wald test results show that CCC, $CCC^2$, SIZE, GROWTH, AGE, LEV, and CR have a significant effect on ROA. The results of the t statistical test show that CCC has a significant negative effect on ROA while $CCC^2$ has a significant positive effect on ROA. This indicates a U-shaped nonlinear relationship between CCC and profitability in the property and real estate sector in Indonesia.*



*Keywords: Return on Assets, Cash Conversion Cycle, Cash Conversion Cycle$^2$, Company Size, Sales Growth, Company Age, Leverage, Liquidity.*