

ABSTRACT

This research aims to examine the influence of working capital management (WCM) and profitability which is moderated by sales growth (SG) in manufacturing companies listed on the Indonesia Stock Exchange. Profitability is measured using Return On Assets (ROA). The independent variable used in this research is the cash conversion cycle (CCC) which represents working capital management. Control variables consist of current ratio (CR) and firm size (FS).

The sample used in this research is manufacturing companies listed on the BEI (Indonesian Stock Exchange) during the 2018-2022 period. The total sample method was 65 companies taken using the purposive sample method. The analysis method used is panel data regression with Moderate Regression Analysis (MRA) with the Eviews12 program which previously passed the classical assumption test. The fixed effect model was chosen as the best model.

The research results showed that the cash conversion cycle (CCC) had a significant negative effect on ROA. Sales growth (SG) had a significant positive effect on ROA. The moderated regression results showed that relationship between cash conversion cycle (CCC) and profitability was moderated by sales growth (SG). In addition, the control variables current ratio (CR) and firm size (FS) had a insignificant positive effect on ROA.

Keywords: Return On Assets, Working Capital Management, Cash Conversion Cycle, Sales Growth, Current Ratio and Firm Size.