

ABSTRACT

This research aims to analyze how working capital and financial ratios affect the profitability of manufacturing companies that are listed between 2018 and 2021 on the Indonesia Stock Exchange. This research uses quantitative research methods and uses secondary data which is the financial report of every company in the sample of this research.

The total sample used in this research is 17 companies, and the population in this research is the consumer goods sub-industry, cigarette sub-sector, pharmaceutical sub-sector, cosmetics sub-sector, and household goods sub-sector listed on the Indonesia Stock Exchange, which in this population was taken in the 2018-2021 period. The purposive sampling method was used to determine the sample, and the data used in this research was obtained from Bloomberg and Britama. This research uses a multiple linear regression analysis method which is tested using the SPSS version 29 application program.

This research's findings show that the company's profitability (ROA) is positively impacted by Inventory Turnover In Days (ITID), Average Collection Period (ACP), Solvency (DR), and Liquidity (CR).

Keywords: ROA, ITID, ACP, CR, DR.