ABSTRACT

This study aims to analyze the effect of Cash Conversion Cycle (CCC), Accounts Receivable Period (ARP), Inventory Conversion Period (ICP), and Accounts Payable Period (APP) on company profitability as measured by Return on Assets (ROA). In addition, this study also considers control variables such as firm size, leverage, sales growth, and production efficiency.

This research was conducted on manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. By using purposive sampling method, 100 companies were obtained as research samples. The research method used is panel data regression with the Random Effect Model (REM) approach.

The research method used is panel data regression with the Random Effect Model (REM) approach. The results showed that CCC and ICP had a significant negative effect on ROA, which means that the shorter the cash conversion cycle period and inventory conversion period, the higher the company's profitability. ARP is also found to have a significant negative relationship with ROA, indicating that the faster the company collects receivables, the better its profitability performance. In contrast, APP has a significant positive relationship with ROA, indicating that companies that can delay payments to suppliers longer have higher profitability.

Keywords: *Cash Conversion Cycle (CCC), Accounts Receivable Period (ARP), Inventory Conversion Period (ICP), Accounts Payable Period (APP), Return on Assets (ROA)*