

ABSTRACT

This study examines the optimization of corporate financial performance through the management of working capital and capital structure policies to maximize profitability (ROA). Enhancing financial performance requires efficient cash conversion cycle management and financing strategies aligned with the company's internal characteristics. The central issue addressed is the strategy to boost the profitability of an automotive distributor using the Cash Conversion Cycle (CCC), Firm Size, Leverage (DER), and historical profitability (ROA_Lag) as key variables. Employing a dynamic model, the study analyzes the quarterly financial statements of PT New Ratna Motor (Nasmoco Group) in Semarang from 2021 to 2024 (N=16). Empirical results confirm that the model meets goodness-of-fit standards, is free from autocorrelation bias, and possesses an explanatory power (Adjusted R-squared) of 78.1%. Simultaneous testing reveals a strong correlation between all independent variables and profit fluctuations. Partial analysis at a 95% confidence level indicates that the CCC has a significant negative impact on profitability, while company size and leverage demonstrate no notable impact. The research ends with theoretical and practical consequences for management, along with recognized limitations to inform future studies.

Keywords: *Cash Conversion Cycle, Leverage, Company Size, Profitability, Long Term.*

