

ABSTRACT

This study aims to analyze the effect of working capital efficiency, sales growth, and company size on profitability. This research form uses associative studies and data collection methods using documentary studies. The population in this study are 61 companies in the Basic Materials sector which are listed on the IDX 2016-2021.

This study uses secondary data in the form of financial reports obtained from the official website of each company. The sampling technique used was purposive sampling method so that the samples obtained in this study were 366 data. The method used in this study is a quantitative method, the data analysis technique used is descriptive statistical analysis and verification. Statistical analysis used in this research is hypothesis test, multiple linear regression analysis, coefficient of determination and correlation, t test and F test.

The results of this test indicate that the efficiency of working capital has a positive effect on profitability, sales growth has a positive effect on profitability and diversification has a positive effect on profitability.

Keywords: Working Capital Efficiency, Sales Growth, Diversification, Profitability