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THE EFFECT OF CASH TURNOVER, RECEIVABLES TURNOVER, AND INVENTORY TURNOVER ON PROFITABILITY IN COSMETIC SUB-SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) 2018-2023 PERIOD

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Abstract

This study aims to analyze the Effect of Cash Turnover, Receivables Turnover, and Inventory Turnover on Profitability in Cosmetic Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 Period. By using an associative strategy and quantitative approach, this study aims to determine the effect of independent variables on the dependent variable. The population in this study were Cosmetic Sub-Sector companies listed on the Indonesia Stock Exchange (IDX) during the 2018-2023 period. The sample used was 6 Cosmetic Sub-Sector companies listed on the Indonesia Stock Exchange (IDX) during the 2018-2023 period. The data collection technique used was documentation. The analysis method used was multiple linear regression, t-test, and F-test to obtain results regarding the effect of independent variables on the dependent variable. The results of the study showed that partially Cash Turnover had a significant negative effect on Profitability (ROA), Receivables Turnover had a positive insignificant effect on Profitability (ROA), and Inventory Turnover had a significant positive effect on Profitability (ROA). Meanwhile, simultaneously, Cash Turnover, Receivables Turnover, and Inventory Turnover jointly affect Profitability (ROA).

Keywords: *Cash Turnover, Receivables Turnover, Inventory Turnover, Profitability (ROA).*

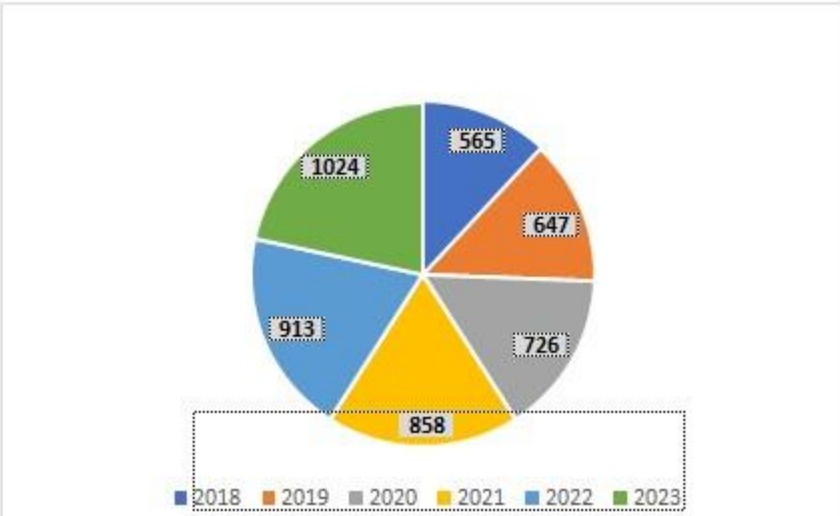
INTRODUCTION

In the era of economic globalization and free trade like today, technological advances have had a major impact on the way companies carry out their operational system activities to be more efficient and effective. Basically, a company carries out its business activities to obtain profit, the company's survival and the continuity of the company's operations, so that the company is able to continue to grow along with the increasing development of globalization. The more the business world develops, the higher the competition between companies, especially companies of the same type in very tight competition, companies are required to maintain business continuity in various ways to make decisions that support the achievement of the company's goals in increasing competitiveness in the future. Industry is one sector that has a very important role in the development of a country. Almost all countries believe that industrialization is a must because it can guarantee the continuity of the long-term economic development process with a high and sustainable rate of economic development.

Indonesia, which is a country with a tropical climate, makes the use of cosmetics one of the important things for the community, in addition to supporting appearance, the benefits of cosmetics themselves also affect health. Cosmetics are one of the needs that cannot be avoided. Especially for women, cosmetics are always a part of everyday life. To obtain and maintain beauty from time to time. The need for cosmetics that will continue to increase for the community, especially among women, this is a profitable and attractive segment for every cosmetic manufacturer. According to the Ministry of Industry, cosmetic products are currently a primary need for women and are now innovating in products for men and children as well (www.kemenperin.go.id). Thus, this community lifestyle is an opportunity for business in the cosmetics sub-sector. Coronavirus Disease 2019, or Covid-19, is a disease that was first reported in Wuhan, China, in December 2019 and was later declared a pandemic by WHO on March 13, 2020. Covid-19 belongs to a large family of viruses that can cause disease in humans and animals. In humans, this virus usually causes respiratory tract infections, ranging from common cold symptoms to serious diseases such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS), which are caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-COV2), which causes a disease known as Coronavirus Disease-2019 (COVID-19). This virus is spread through human-to-human transmission through droplets or saliva splashes, so it spreads very quickly. The first case of Covid-19 in Indonesia was detected on March 2, 2020.

The Covid-19 pandemic has had a severe impact on various industrial sectors in Indonesia. A number of major sectors have been hit and contracted due to decreased demand and scarcity of raw material supplies. The Indonesian economy has been in recession for the past two years due to the handling of the protracted pandemic. One of the industrial sectors that has been severely affected is the automotive sector, because people's purchasing power has weakened. The tourism and hospitality sectors have also experienced severe sluggishness because many foreign and domestic tourists have canceled their visits. The construction sector also contracted in several major cities as projects were temporarily halted. According to a report from the Directorate of Cosmetics Supervision in 2023, the cosmetics industry in Indonesia is one of the sectors that has shown resilience and consistent growth even amidst the challenges faced during the Covid-19 pandemic that has hit the world. Although many industries in Indonesia have experienced quite a significant impact due to the pandemic, the cosmetics industry has been able to show its courage and adaptability in facing this difficult situation. The cosmetics industry in Indonesia continues to experience positive developments, which shows that consumer demand for beauty products remains high even in uncertain economic conditions due to the pandemic. This confirms that the cosmetics industry has an important role in the Indonesian economy, and is one of the sectors that is able to make a positive contribution in driving the wheels of the economy even in difficult situations.

Figure 1.1 Data on Growth in the Number of Cosmetic Industries in Indonesia



Source: Directorate of Cosmetic Supervision, (Data processed, 2024)

The figure above shows data on the growth of the number of cosmetic industries in Indonesia from 2018 to 2023. In 2018, there were 565 cosmetic industries. This number increased in 2019 to 647 industries, then continued to increase to 726 industries in 2020. More significant growth occurred in 2021 with the number of cosmetic industries reaching 858. This upward trend continued in 2022 with the number of industries reaching 913, and peaked in 2023 with a total of 1024 cosmetic industries. This data illustrates the consistent and significant growth in the number of cosmetic industries in Indonesia over the past six years, indicating an increase in interest and investment in this sector.

The development of the cosmetic industry in Indonesia which continues to increase means that this company can be said to have promising potential to be developed and has good investment opportunities. This is also supported by the increasing population growth in Indonesia, so that the demand for cosmetic products is also increasing. Based on the 2015-2035 National Industrial Development Master Plan, "the cosmetics industry is one of Indonesia's six mainstay industries, which means that the cosmetics industry is one of the priority industries that plays a major role as the main driver of the economy."

Figure 1.2 Number of Indonesian Population Aged 15-39 Years

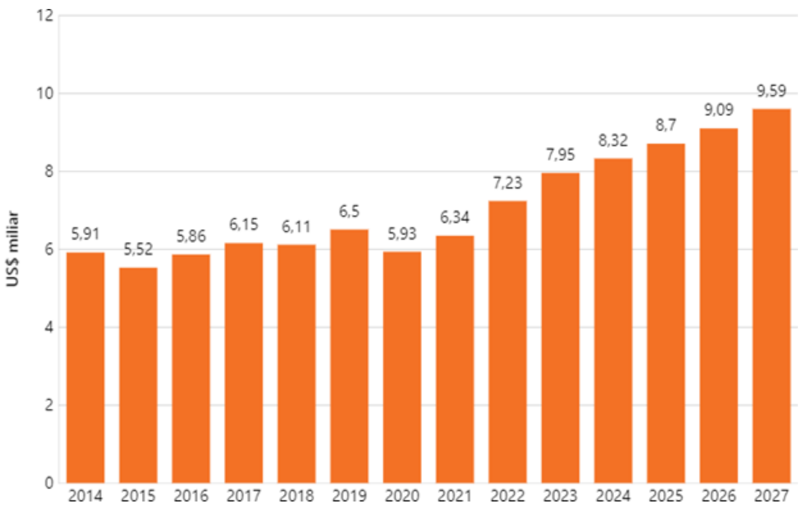
Source: Central Statistics Agency (BPS), (Data processed, 2024)

The table above provides an overview of the population of Indonesia in the 15-39 age group from 2018 to 2022, as reported by the Central Statistics Agency (BPS). It can be seen that during this period, the population in this age group experienced a fairly stable increase. In 2018, the number was around 105,901.3 thousand people, increasing to 106,287.8 thousand people in 2019, and continuing to increase to 110,432.4 thousand people in 2022. This increase can be interpreted as an indicator of young population growth in Indonesia.

The increase in the population aged 15-39 years in Indonesia can indeed have a significant impact on the cosmetics industry. This is in line with research conducted by

Saputra et al. (2022:1097), states that "the population aged 18-25 years (87.1%) gives the highest results in the use of cosmetics and is followed by the age group of 26-30 years (10.5%). This market segmentation based on age is seen as a potential target market considering that the young age segment tends to care about appearance and beauty. Therefore, cosmetic industry players see an opportunity to develop and introduce various new cosmetic products that are in accordance with the age characteristics, interests, and beauty tastes of the millennial and generation Z generations. With the increasing demand for cosmetics and skincare products, in recent years many local cosmetic and skincare brands have emerged. The rapid growth of this industry is also supported by the amount of revenue obtained from beauty and personal care factories from Statista (2022) which reached IDR 111.83 trillion (with an exchange rate of 1 dollar of IDR 15,467.5). This figure shows the potential and business opportunities that are very tempting for business actors and investors to participate in this industry. With such a large market and increasing consumer demand, it is expected that more and more innovative products and new brands will emerge that can meet consumer tastes with even better quality in the future.

Figure 1.3 Estimated Data on Revenue Growth of the Beauty Industry in Indonesia



Source: Statista (2022), (Data processed, 2024)

The Indonesia Stock Exchange (IDX) is an institution that provides a means of trading in the purchase and sale of securities, securities are valuable securities that can be traded. Manufacturing companies are companies that have activities in managing raw materials to become finished materials and marketed to consumers. Manufacturing companies consist of three sectors, namely: the basic and chemical industry sector, the various industry sector and the consumer goods industry sector. Consumer goods industry sector companies are a category of manufacturing industry companies whose products are in great demand by the community, so that their prospects are profitable both now and in the future. In general, the success of a company in carrying out its activities is often based on the level of profit obtained. However, large profits are not necessarily a measure that the company has worked effectively and efficiently.

The cosmetics company sub-sector is part of one of the consumer goods industry sectors listed on the Indonesia Stock Exchange which is engaged in the production of cosmetics. This cosmetics sector is very close to everyday life, even needed almost every day. It is very interesting to conduct research because the products of this company are very much needed by the community, the following are cosmetic sub-sector companies listed on the Indonesia Stock Exchange:

Table 1.1 List of Cosmetic Sector Companies on the Indonesia Stock Exchange (IDX)

No	Code	Company name	Stand	IPO Date
1	EURO	PT Estee Gold Feet Tbk	21 January 1980	08 August 2022
2	KINO	PT Kino Indonesia Tbk	24 March 1972	11 December 2015
3	KPAS	PT Cottonindo Ariesta Tbk	02 September 1993	05 October 2018
4	MBTO	PT Martino Berto Tbk	1 Juny 1977	13 January 2011
5	MRAT	PT Mustika Ratu Tbk	14 March 1978	27 July 1995
6	NANO	PT Nanotech Indonesia Global Tbk	22 May 2019	10 March 2022
7	TCID	PT Mandom Indonesia Tbk	05 November 1969	30 September 1993
8	UNVR	PT Unilever Indonesia Tbk	05 December 1933	11 January 1982
9	VICI	PT Victoria Care Indonesia Tbk	20 April 2006	17 December 2020
10	ADES	PT Akasha Wira International Tbk	06 March 1985	13 Juny 1994

Source: Lembarsaham.com, (Data processed, 2024)

There are 10 cosmetic sub-sector companies listed on the Indonesia Stock Exchange, but only 6 companies were used in this study, namely PT. Akasha Wira International Tbk, PT. Martino Berto Tbk, PT. Mustika Ratu Tbk, PT. Mandom Indonesia Tbk, PT Kino Indonesia Tbk, and PT Unilever Indonesia Tbk.

The increasingly rapid economy is a challenge as well as an opportunity for companies to always make adjustments, especially in terms of policies so that companies can respond to challenges, opportunities and compete in the industrial world. To face this competition, companies are required to have competitive advantages both in terms of the products produced, human resources, and the technology used. However, to have all these advantages, companies need more funds, and continue to strive to increase company profits.

Business plans are inseparable from risk and uncertainty. To evaluate performance and financial conditions, companies can conduct financial report analysis on company performance. The company's financial performance can be measured and seen based on financial reports, by analyzing financial reports. Financial report analysis is used as information material related to the company's financial condition and the results that have been achieved in the company's strategy to be determined.

For public companies such as cosmetic companies listed on the Indonesia Stock Exchange, published financial reports are very important because they describe the financial position and achievements that have been achieved by the company over a certain period of time. Therefore, public companies must have a good financial position and performance so that investors are interested in investing.

Companies must pay attention to their company's profitability because it is the most important thing in seeing whether or not the planned profits have been achieved in several periods. Good company performance can be seen from the high level of profitability. The higher the level of company profitability, the better the condition of the company. Profitability can be used to calculate the company's ability to obtain profits effectively and efficiently from its operational activities. Profitability can be used by company leaders to assess the success of the company they lead.

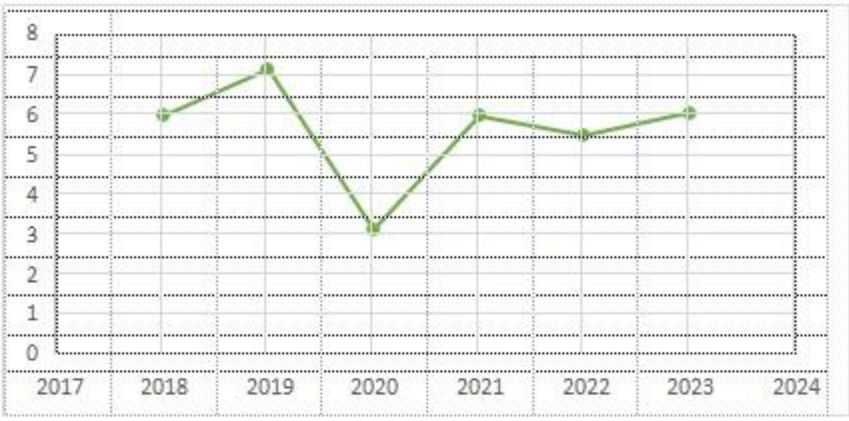
Sartono (2021; 135) states that "profitability can be an indicator in measuring a company's ability to obtain profits or profits. Profitability is a benchmark for whether or not a company has succeeded in obtaining maximum profits or profits". According to Herawaty et al. (2019:2) stated that "profitability can be a picture of a company in obtaining its operational profit". The company must be in a profitable condition, so that the company will continue to be able to carry out its operational activities. Companies in unfavorable conditions will have difficulty in attracting investors, therefore each company will emphasize increasing profitability so that the company can achieve its goal of prospering its investors. The ratios that can be used to calculate the level of profitability are: Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Asset (ROA), Return on Equity (ROE), (Noordiatmoko 2020, 38-51). To measure the level of profitability of a company, this study uses Return On Asset (ROA).

Table 1.2 Results of Calculation of Average Return on Asset (ROA) of Cosmetics Industry Listed on the Indonesia Stock Exchange 2018-2023

Year	Average *Return On Assets* (ROA) (%)
2018	5,96
2019	7,13
2020	3,12
2021	5,96
2022	5,48
2023	6,05

Source: Indonesia Stock Exchange (IDX), (Data processed, 2024)

Figure 1.4 Average Return On Asset (ROA) Graph of Cosmetics Industry Listed on the Indonesia Stock Exchange 2018-2023



Source: Indonesia Stock Exchange (IDX), (Data processed, 2024)

The graph shows the average Return On Asset (ROA) of the cosmetics industry listed on the Indonesia Stock Exchange during the period 2018 to 2023. ROA is one of the financial indicators used to evaluate how efficient a company is in generating profits from its assets. In 2018, the average profitability of cosmetics companies was 5.96%. In 2019, the average profitability increased to 7.13%. This increase was due to more effective marketing strategies, increased sales of cosmetic products, and better cost management. In addition, cosmetics companies have also begun to develop digital technology to improve operational efficiency and increase market access.

In 2020, the average profitability decreased to 3.12%. This decline was due to the very significant impact of the COVID-19 pandemic on the cosmetics industry. Cosmetic companies face major challenges in maintaining raw material stocks, managing supply chains, and maintaining operational activities. In addition, changes in consumer behavior who are more careful in buying cosmetic products also have an impact on sales. In 2021, the average profitability increased again to 5.96%. This increase was due to the adaptation strategy of cosmetic companies to the pandemic conditions. They increased online sales, expanded distribution networks, and improved product quality to increase consumer confidence. In addition, cosmetic companies have also begun to develop more diverse and innovative products to meet changing market needs. In 2022, the average profitability decreased to 5.48%. This decrease was due to unstable raw material price fluctuations and dependence on supply chains that are still vulnerable to global disruptions. In 2023, the average profitability increased to 6.05%. This increase was due to more effective marketing strategies, increased sales of cosmetic products, and better cost management. In addition, cosmetic companies have also begun to develop digital technology to improve operational efficiency and increase market access. Changes in government policies that are more supportive can also have a positive impact on the financial performance of cosmetic companies. Overall, the average profitability of cosmetic companies from 2018 to 2023 shows significant fluctuations. Fundamental factors such as marketing strategies, cost management, digital technology, and government policies have a major influence on determining the financial performance of cosmetic companies. Working capital must always be managed so that it is not too small or too large. Working capital that is too small will result in the company experiencing insolvency, a condition where the company has difficulty meeting its current obligations due to the lack of sufficient funds to pay off the company's short-term debts that have matured. Meanwhile, if the amount of working capital is too large, it will cause the company to be overliquid, resulting in idle funds that will result in company inefficiency. Idle funds mean reducing the company's profits because these funds should be used for various business development interests or to finance the company's short-term investments. According to Widyawati et al., (2022:133) "good working capital is one that has a fast turnover because this will allow the company to finance other operations". In addition, the way the company funds its assets is also very important in maintaining the company's continuity in obtaining its profits.

The first component of working capital is cash. According to Muslih (2019:49) "the greater the amount of cash of a company, the higher its liquidity level". This means, "the risk for the company to have difficulty in meeting its obligations is very small. However, the company should not hoard cash supplies, this is because the level of profitability will decrease if there is a lot of idle cash due to the increasing amount of cash" (Canizio, 2017:3531). The measure of efficiency used in the use of company cash is the cash turnover rate. "The lower the cash turnover, the more idle cash there is which can reduce the company's profitability" (Nurafika & Almadany, 2018:101). Cash turnover according to Rosananda et al. (2023:3) is "the comparison between sales and the average amount of cash". According to Jayasukmana (2022:54), "the higher the cash turnover rate, the better the cash management and the greater the profits obtained". It can be concluded that the higher the cash turnover in a company, the higher the profit that will be generated. Cash turnover is useful for measuring the adequacy of the company's working capital needed to pay bills and finance sales. This is in line with research conducted by Ramadani (2019:104) which shows that "cash turnover has a positive and significant effect on profitability". However, research by Fuady & Rahmawati (2018) states that "cash turnover does not have a significant effect on profitability". The second component of working capital is receivables. Receivables are included in the current assets section of a company's balance sheet. These receivables arise due to sales transactions of goods and services or the provision of credit to debtors, the payment of which is given a period of 30 days to 90 days. Management of receivables must be accompanied by careful planning, starting from the provision of credit sales until it finally becomes cash. Increasing receivables can result in working capital experiencing a slow turnover, which has an impact on the company's decreasing ability to increase its sales volume. Thus, the company's ability to generate profits is also reduced. To measure the length of time to collect receivables and how many times these receivables funds are turned over, you can use the receivables turnover ratio (Monica, 2022:1505).

According to Kasmir (2019:178): The higher the receivables turnover, the lower the working capital invested in receivables, and this condition is good for the company. Conversely, if it is lower, it means that the working capital invested is greater (over investment), this condition is not good for the company. Thus, the high or low receivables turnover will affect the condition of the company and the company's profits.

This is in line with research conducted by Riyanto (2019:10) showing that high receivables turnover also affects high company profitability. However, this is not in line with research conducted by Astuti & Aprianti (2020:183), stating that "there is no significant influence between receivables turnover and profitability".

The third component in working capital is inventory. Company inventory must be managed effectively and efficiently in order to generate maximum profit so that the company's profitability level will increase. Inventory is an active element in the company's operational activities, because the amount of inventory in the company always changes due to reductions for the production process that will be sold to consumers. Inventory is an asset that always experiences turnover, in other words, inventory is a product of production that is made and will be resold and so on with the aim of making a profit. However, this does not mean that the company can provide its merchandise inventory in as much quantity as possible with the aim of getting as much profit as possible. According to Kasmir (2019:182) "the inventory owned by the company can be sold for cash or credit. The number of times inventory is sold and provided again during a certain period can be known through inventory turnover". Research conducted by Astuti and Aprianti (2020:183) on inventory turnover on profitability states that "inventory turnover has a significant positive effect on profitability". However, this is different from the research of Surya et al., (2017:331) who stated that "inventory turnover does not have a significant influence on profitability".

RESEARCH METHOD

The researcher applies an associative strategy, which according to Sugiyono (2022:37) is "a strategy used to observe the relationship between several variables, where the relationship is causal". This study uses a quantitative approach. Sugiyono (2022:8) explains that "a quantitative approach is a method based on concrete data and is used in research involving samples and populations". The data collected is in the form of numbers, which can be analyzed using statistics to test the proposed hypothesis. This study uses an associative strategy with a quantitative approach because this approach allows testing the effect of cash turnover (X1), accounts receivable turnover (X2), and inventory turnover (X3) on profitability (Y). By using numerical data and statistical analysis, researchers can measure the extent to which these variables affect the company's profitability. This approach also provides a strong foundation for drawing data-based conclusions and providing empirical evidence regarding the causal relationship between the variables studied. The results of this study will provide deeper insights into how cash, receivables, and inventory management can affect a company's financial performance, as well as provide relevant recommendations for business practitioners.

RESULT AND DISCUSSION

The discussion of the research results will provide an overview of the results of the analysis and findings in this research regarding the suitability between the various theories that have been studied, the opinions of experts, and previous research that have each been described in the previous discussion. The following is an explanation of the research findings that have been obtained in this research:

1) The Effect of Cash Turnover on Profitability

From the analysis that has been carried out, it can be obtained that cash turnover individually has a significant negative effect on profitability in cosmetic sub-sector companies listed on the Indonesia Stock Exchange (IDX) with a t-test result of -2.363 with a significance value of 0.024< 0.05. This shows that financial management is less effective in managing the cash they have, the higher the cash turnover, the lower the Return on Assets (ROA) of these companies.

When companies focus too much on fast cash turnover, they may ignore the investments needed to improve efficiency and productivity. For example, companies can be too tight in managing receivables and inventory, sacrificing investment in product development, increasing production capacity, or employee training. This can hinder the company's long-term growth. On the other hand, overly aggressive cash management can leave the company short of funds to finance daily operational activities, such as paying salaries, utility bills, or paying suppliers. When companies do not have enough liquidity, they risk failing to meet their obligations on time, which can damage their reputation, stakeholder trust, and reduce profitability.

The correlation coefficient test obtained a negative correlation coefficient. This means that the direction of the relationship caused by cash turnover on profitability is negative. when there is an increase in the value of cash turnover, profitability will decrease, and vice versa, if cash turnover decreases, profitability increases.

In the ADES company, cash turnover decreased from 2018 to 2021, while profitability actually increased during that period. This shows that the decrease in cash turnover does not have a negative impact on profitability, and even tends to increase the company's profitability. Cash turnover decreased from 12.59 times in 2018 to 2.60 times in 2020, while profitability (ROA) increased from 6.01% to 20.38% in the same period.

On the other hand, in KINO, cash turnover tended to increase from 2018 to 2021, but profitability actually decreased during that period. Cash turnover increased from 12.24 times in 2018 to 20.51 times in 2020, while profitability (ROA) decreased from 4.18% to 1.83% in the same period. This indicates that increasing cash turnover has a negative impact on the company's profitability.

In MBTO, MRAT, TCID, and UNVR companies, there is also a tendency for a negative relationship between cash turnover and profitability, although the pattern of change is not always consistent.

In general, the data shows that increasing cash turnover does not always have a positive impact on the company's profitability. In some cases, it is actually the decrease in cash turnover that has a positive impact on the company's ability to generate profits. This indicates that factors other than cash turnover also play an important role in influencing the company's profitability.

This is inconsistent with Kasmir's statement (2010:14) which states that "the higher the cash turnover, the better the profitability, in the sense that the higher the efficiency of cash use, the greater the profit obtained".

The results of this study are in accordance with the research conducted by Karamina and Soekotjo (2018:16) and Khairun et al. (2022:105) stating that cash turnover has a significant negative effect on profitability. However, the results of this study are inconsistent with the research of Nuriyani and Zannati (2017:430) and Makatutu (2021) stating that cash turnover has a significant positive effect on profitability.

2) Effect of Receivables Turnover on Profitability.

From the analysis conducted, the results show that receivables turnover has a positive but insignificant effect on profitability in cosmetic sub-sector companies listed on the Indonesia Stock Exchange (IDX). This means that although there is a tendency that increasing receivables turnover can increase profitability, the effect is not strong enough or statistically significant to conclude that there is a definite relationship between the two. This is supported by the results of the t-test of 0.959 with a significance value of 0.345, which is greater than the significance limit of 0.05. In other words, these results indicate that variations in receivables turnover do not have a significant impact on the profitability of companies in the cosmetic sub-sector.

The results of the study show that receivables turnover has a positive but insignificant effect on profitability. This means that when receivables turnover increases, it is not followed by an increase in profitability. This is because the large sales are made on credit so that there is no cash flow to carry out operations, and because the company or employee performance is ineffective so that the company is unable to obtain profits according to the predetermined target. Likewise, if receivables turnover decreases, profitability will decrease. This is due to over-investment or difficulties in collecting receivables, thus slowing down cash inflows which will reduce the company's profit value.

ADES Company showed fluctuations in its receivables turnover from 2018 to 2023. Initially, receivables turnover was 5.90 times in 2018 and increased to 6.27 times in 2019. However, in 2020, this figure decreased to 5.30 times. However, ADES managed to increase its receivables turnover consistently in the following years to reach 7.41 times in 2023. On the other hand, ADES' profitability showed a more stable and significant upward trend. From 6.01% in 2018, the company's profitability continued to increase to 20.38% in 2021, reflecting strong financial performance even though receivables turnover was not always consistent.

KINO Company experienced a fairly stagnant and declining receivables turnover trend from 2018 to 2020. In 2018 and 2019, receivables turnover was around 4 times, but in 2020, it dropped to 2.88 times. However, KINO's receivables turnover began to increase again to reach 3.25 times in 2023. However, despite the increase in receivables turnover, KINO's profitability actually decreased drastically after reaching its peak in 2019 of 10.98%. Profitability dropped drastically to 2.16% in 2020, and continued to have difficulty recovering in the following years.

MBTO shows a significantly increasing receivables turnover from 2018 to 2023. Starting from 1.58 times in 2018, MBTO continues to improve its receivables turnover to reach 7.45 times in 2023. However, despite the increasing receivables turnover, MBTO's profitability remains in the negative zone. After reaching -17.61% in 2018, the company experienced a slight increase in 2019 with -11.33%, but again experienced a worse decline in 2020 to -20.68%. Overall, MBTO's profitability still shows major challenges even though the receivables turnover shows improvement. MRAT Company shows a relatively stagnant receivables turnover at first, with a figure of 1.49 times in 2018 and a slight increase to 1.50 times in 2019. However, in 2020, the receivables turnover decreased again to 1.48 times. However, MRAT managed to gradually increase its receivables turnover to reach 1.84 times in 2023. On the other hand, MRAT's profitability experienced negative fluctuations. Although it had recorded a positive figure of 0.02% in 2019, the company's profitability fell to -1.21% in 2020 and did not show a significant increase in the following years.

The TCID company experienced a decline in its receivables turnover from 6.74 times in 2018 to 4.74 times in 2020. However, TCID managed to gradually increase its receivables turnover to reach 5.31 times in 2023. In terms of profitability, TCID recorded a significant decline after recording 7.08% in 2018, dropping to -4.30% in 2020, although there was a slight increase in the following years. The company's financial performance shows ongoing challenges despite improvements in receivables turnover.

Receivables turnover of PT. Unilever shows fluctuations from 2018 to 2023, with an initial value of 8.62 times in 2018, decreasing slightly to 8.32 times in 2019, and decreasing again in 2020 to 8.08 times. However, receivables turnover has consistently increased to 12.32 times in 2023. On the other hand, the company's profitability has decreased significantly during the same period. In 2018, profitability was at 46.66%, but continued to decline to 35.80% in 2019, recovering slightly to 34.89% in 2020, before gradually decreasing again to 28.81% in 2023. The results of this study are in accordance with the research conducted by Astuti and Aprianti (2020:182); Martha and Saryadi (2020:427); and Ilahi (2022:10); states that accounts receivable turnover has a positive but insignificant effect on profitability. However, the results of this study are inconsistent with the research of Muhibah and Yunus (2020:475) and Hadi and Yusuf (2022:10) which state that accounts receivable turnover has a significant positive effect on profitability.

3) The Effect of Inventory Turnover on Profitability.

From the analysis that has been done, it can be obtained that individual inventory turnover has a significant positive effect on profitability in cosmetic sub-sector companies listed on the Indonesia Stock Exchange (IDX) with a t-test result of 4.338 with a significance value of 0.000 <0.05. This means that increasing inventory turnover tends to increase the company's profitability significantly. Thus, it can be concluded that the more efficient the company is in managing its inventory, the higher the level of profitability that can be achieved.

Inventory turnover is one of the important indicators that can affect a company's profitability. The faster the inventory turnover, the more efficient the company is in managing its stock of goods, so that this can increase operational efficiency and reduce storage costs. In theory, higher inventory turnover tends to have a positive impact on profitability, because the company is able to sell products faster, which in turn increases revenue.

The ADES company shows a trend that tends to be positive. ADES inventory turnover increased from 3.82 times in 2018 to 5.03 times in 2022, although it decreased slightly to 4.69 times in 2023. Its profitability also increased significantly, from 6.01% in 2018 to 20.38% in 2021, before stabilizing at a higher level. Consistent increases in inventory turnover play a significant role in supporting the company's increased profitability.

KINO Company also experienced increases and decreases in its inventory turnover. In 2018, KINO's inventory turnover was at 4.36 times and had increased to 4.62 times in 2019, but decreased drastically in 2020 to 3.36 times. Although inventory turnover increased again in 2022, KINO's profitability decreased significantly from 10.98% in 2019 to only 2.16% in 2020, reflecting operational challenges despite the recovery in inventory turnover.

In contrast to ADES and KINO, MBTO companies faced more significant challenges. MBTO's inventory turnover decreased from 2.75 times in 2018 to 1.96 times in 2020, with slight improvements in subsequent years. MBTO's profitability was very negative, with a figure of -17.61% in 2018 that worsened to -20.68% in 2020. Although inventory turnover slightly improved after 2020, the company's profitability remained well below average.

MRAT Company recorded a consistent decline in inventory turnover, from 1.07 times in 2018 to 0.60 times in 2023. Its profitability also showed a negative trend, with a decline from -0.44% in 2018 to -1.21% in 2020. This trend indicates serious operational problems, where efficiency improvements in inventory turnover were not achieved.

TCID Company showed fluctuations in its inventory turnover, which decreased from 3.62 times in 2018 to 2.59 times in 2020, but increased slightly again in 2022. TCID's profitability also experienced a drastic decline, from 7.08% in 2018 to -4.30% in 2020, indicating difficulties in maintaining operational efficiency.

Inventory turnover of PT. Unilever shows a fairly stable trend with a gradual increase from 8.20 times in 2018 to 8.72 times in 2022, although it decreased slightly to 7.69 times in 2023. On the other hand, the company's profitability fluctuates. In 2018, PT. Unilever's profitability reached 46.66%, but decreased significantly to 35.80% in 2019. After recovering slightly in 2020 with 34.89%, profitability again experienced a continuous decline to reach 28.81% in 2023.

In general, although faster inventory turnover tends to contribute to increased profitability, the fluctuations that occur in these companies indicate that inventory turnover is not the only factor that affects financial performance.

The results of this study are in accordance with the research conducted by Bahy (2021:70) and Habibah et al. (2024:144); stating that inventory turnover has a significant positive effect on profitability. However, the results of this study are not consistent with the research of Surya et al. (2017:330) and Bangun et al. (2018:237) who stated that accounts receivable turnover has a positive but insignificant effect on profitability.

4) The Effect of Cash Turnover, Receivables Turnover and Inventory Turnover on Profitability.

The results of the F test in this study indicate that cash turnover, receivables turnover, and inventory turnover all have an impact on profitability simultaneously. With a significance value of 0.000 <0.05. Because these three items are working capital items, they play an important role in increasing profitability. If the company can manage cash, receivables, and inventory more efficiently, then the working capital components will produce good profitability. This means that the amount of each cash, receivables, and inventory must be able to support the company's operational activities in order to benefit the company. The business can function more effectively and will not experience financial problems.

Cash turnover shows the organization's capacity to handle cash as efficiently as possible in its operational activities, as well as the extent to which the company is adequate in meeting its commitments. The number of times the funds attached to receivables can be converted into cash, starting with credit sales and continuing until receivables can be converted into cash and then converted back into receivables, is known as receivables turnover. Inventory turnover measures the company's ability to replace its stock within a certain period of time, starting with cash from working capital. It can be concluded that working capital consisting of cash, receivables, and inventory has a very large influence on profitability, this shows that variables related to cash turnover, receivables, and inventory have been proven to have a simultaneous influence that has a significant impact on profitability. The results of this study are in line with previous studies by Nurafika and Almadany (2018:99) and Nabih (2023:41) which state that cash turnover, receivables turnover, and inventory turnover have an impact on profitability simultaneously.

CONCLUSION

Based on the discussion on "The Effect of Cash Turnover, Receivables Turnover, and Inventory Turnover on Profitability in Cosmetic Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 Period" it can be concluded as follows:

1. Based on the first hypothesis, the Cash Turnover variable (X1) has a negative and significant effect on Profitability in Cosmetic Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 Period.
2. Based on the second hypothesis, the Receivables Turnover variable (X2) has a positive and insignificant effect on Profitability in Cosmetic Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 Period.
3. Based on the third hypothesis, the Inventory Turnover variable (X3) has a positive and significant effect on Profitability in Cosmetic Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 Period.
4. Based on the fourth hypothesis, the variables Cash Turnover (X1), Receivables Turnover (X2), and Inventory Turnover (X3) have a positive and significant effect on Profitability in Cosmetics Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2018-2023 Period.

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