

# **Working Capital and Profitability Performance: An Evidence from Indonesia Mining Companies Listed in Indonesia Stock Exchange**

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**Abstract:** The data from the 10 biggest Indonesian mining companies listed in Indonesian Stock Exchange (IDX) that are measured with the Jakarta Composite Index (IHSG) from the period of 2011 to 2015 were collected and analyzed. The purpose of this study is to establish the working capital and the components in the financial reports of the mining companies listed in Indonesia Stock Exchange and to determine whether there is a relationship between working capital (WC) including CCC, IT, ACP, CR and performance (profitability) that is measured with Return on Asset (ROA).

The result of study indicates that there are some weak positive correlations between working capital elements and the return on asset (profitability), also there are some negative correlations between working capital elements and return on asset. Moreover, there is some indication of medium negative correlations. This shows that the profitability of these 10 mining companies in Indonesian that was included in this study does not have strong correlations. This could be due to other elements such as company size, company ownerships such as government or privately own, or the financial structure of each company.

**Keywords:** Working capital management, working capital element, cash conversion cycle, inventory turnover, average collection period, current ratio, return on asset, profitability