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**THE INFLUENCE OF WORKING CAPITAL ON PROFITABILITY:  
EVIDENCE OF LISTED COMPANIES IN THAILAND MARKET FOR  
ALTERNATIVE INVESTMENT (MAI)**

**Abstract:**

The objective of this study is to investigate the relationship between working capital management and profitability on the Market for Alternative Investment (MAI) in Thailand's capital market. The general objective of MAI is compatible to the Stock Exchange of Thailand (SET) which is to act as a capital market for various businesses, but this market is focus on small and medium-sized enterprises (SMEs) and innovation. From existing literature reviews, we select five factors including receivables collection period, inventory conversion period, payable deferral period, cash conversion cycle and current ratio as explanatory variables. At the time, firm size and debt ratio are assigned as controllable variables. While return on invested capital (ROIC), a dependent variable is employed as proxy for profitability. This study uses secondary data collected from annual financial statements of companies in MAI index for the period of 10 years from 2014-2023. After examining the data, only 826 samples are qualified under the criteria. The multiple regression model is implemented for statistical testing at the significant level 0.05. The results indicate a negative significant relationship between the receivable collection period and payable deferral period with profitability. This model is supported with R2 of 0.144. We also observe that all types of MAI firms can increase their profitability by shortening the receivable collection period and curtailing the payable deferral period. The findings in this study can assist investors or managers to comprehend the effect of specific determinants to the SME's profitability in Thailand.

**Keywords:**

Working Capital Management; Cash Conversion Cycle; Receivable Collection Period; Inventory Conversion Period; Payable Deferral Period; Return on Invested Capital; Thailand MAI Index

**JEL Classification:** L25, M41, Y10