

**Aim:** The current research aims to examine the impact of working capital management on the financial performance in the automotive industry of Pakistan

**Method:** The data is gathered from secondary sources where the annual reports of the listed automotive companies of Pakistan are accessed. The total numbers of companies that are chosen to be analyzed in the research are 12. The data is collected over five years, beginning in 2016 and ending in 2020. ROA and ROE are the variables of financial performance whereas the cash conversion cycle (CCC) represents the working capital management.

**Findings:** The regression analysis technique is conducted to evaluate the results in which there are two models involved in the study. The first model represents the results of ROA where it was revealed that CCC and quick ratio has a significant effect. However, the coefficient value of CCC suggests that it does not cause a major influence on ROA. While referring to the second model, CCC and financial leverage were determined to have a significant and negative influence on ROE. Hence, this suggests that working capital management has a slight effect on the performance of the automotive companies of Pakistan.

**Keywords:** *Working capital management; financial performance; Automotive industry; Automotive sector; Pakistan; Cash conversion cycle; ROA; ROE*