Liquidity Management and Profitability at CIMERWA Plc, Rwanda: A Seven-Year Analysis of Financial Performance, 2018–2024

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Abstract
Liquidity management is an important component of corporate financial management because manufacturing companies must maintain sufficient resources to meet short-term obligations while deploying capital efficiently to support profitable operations. This paper examines the reported profitability trends of CIMERWA Plc in Rwanda from 2018 to 2024, focusing on return on equity (ROE), return on assets (ROA), and net profit margin (NPM), and discusses their implications for liquidity management. The analysis adopts a descriptive longitudinal approach and identifies changes in the reported profitability indicators over seven annual observations. The reported results indicate a substantial improvement from the negative profitability position recorded in 2018. NPM increased from −3.16% in 2018 to a peak of 18.31% in 2022 before declining to 15.77% in 2024. ROA increased from −0.01% in 2018 to 14.58% in 2022 before declining to 10.70% in 2024. The reported ROE indicator increased from −0.03 in 2018 to 0.22 in 2024, although its unit and calculation require confirmation. These results indicate substantial improvement in the reported profitability indicators, followed by moderation after 2022. The discussion highlights the importance of integrated cash-flow forecasting, receivables monitoring, inventory control, and coordination of short-term financial obligations. However, descriptive profitability trends alone do not establish that liquidity-management practices caused the observed changes. The paper identifies the need to examine profitability alongside company-specific liquidity indicators calculated from CIMERWA Plc's audited financial statements. It recommends consistent financial-ratio measurement, transparent documentation of data sources, and further empirical investigation into the relationship between liquidity management and profitability.

Keywords: *CIMERWA Plc, liquidity management, working-capital management, profitability, return on equity, return on assets, net profit margin, Rwanda.*

Introduction

Liquidity management is an essential component of corporate financial management because companies must maintain sufficient resources to settle short-term obligations while avoiding excessive investment in assets that generate limited returns. This balance is particularly important in manufacturing, where raw materials, production, energy, maintenance, transportation, and inventory require substantial expenditure before customers may settle their invoices. Working-

capital decisions therefore influence cash-flow timing, financing requirements, operational continuity, and the resources available for investment. Profitability is a complementary measure of corporate financial performance. Return on equity (ROE), return on assets (ROA), and net profit margin (NPM) provide different perspectives on how effectively a company generates earnings. ROE measures earnings relative to shareholders' equity, ROA relates earnings to the asset base, and NPM measures the proportion of revenue retained as net profit. Taken together, these indicators provide a broader understanding of financial performance than any single ratio.

Liquidity and profitability are related, but the relationship is not necessarily direct or uniform. Holding adequate cash can help a company meet obligations and avoid expensive emergency borrowing. However, maintaining excessive idle cash may reduce the resources available for productive investment. Similarly, adequate inventory supports uninterrupted production, whereas excessive inventory ties up capital and increases storage and handling costs. Accounts-receivable policies also involve a balance between generating sales through customer credit and ensuring timely collection. Previous studies have examined working-capital management and profitability in different industrial settings. Amponsah-Kwatiah and Asiamah (2021) investigated listed manufacturing firms in Ghana, while Garg and Meentu (2023) examined working-capital management in India's automobile sector. Rudacogora et al. (2022) investigated the relationship between working-capital management and profitability in Rwanda's manufacturing sector. These studies provide a basis for investigating liquidity management, although their findings cannot automatically be generalized to every company. CIMERWA Plc operates in Rwanda's cement-manufacturing sector. Its financial performance may be influenced by production capacity, sales volumes, selling prices, raw-material costs, energy and transportation expenses, financing arrangements, depreciation, and working-capital requirements. Liquidity management may contribute to operational stability and financial performance, but its specific contribution must be investigated using company-level evidence. The reported profitability indicators for CIMERWA Plc show a substantial improvement from the negative position recorded in 2018, followed by a moderation in ROA and NPM after their reported peaks in 2022. This pattern raises questions about the sustainability of profitability and the financial factors associated with changes over time. It also demonstrates the importance of distinguishing observed profitability trends from explanations that require additional evidence. The purpose of this paper is to examine CIMERWA Plc's reported profitability performance from 2018 to 2024 and discuss its implications for liquidity management. Specifically, the paper seeks to examine changes in ROE, ROA, and NPM; interpret the principal features of the reported profitability trajectory; discuss the relationship between liquidity management and profitability; and identify priorities for financial management and further research. The paper contributes a company-specific descriptive analysis of profitability trends and outlines the additional financial information required to investigate their relationship with liquidity management. It does not assume that improvements or declines in profitability establish the effectiveness or ineffectiveness of particular liquidity-management practices.

Literature Review and Theoretical Background

Liquidity and Working-Capital Management in Manufacturing

Working-capital management involves planning and controlling current assets and current liabilities, including cash, receivables, inventory, and payables. Its objective is to balance operational continuity, short-term solvency, financing costs, and profitability.

Manufacturing companies must coordinate cash requirements with procurement, production, inventory storage, customer credit, and supplier-payment arrangements. Poor coordination may

lead to material shortages, delayed payments, increased borrowing requirements, or excessive capital tied up in inventory and receivables. Conversely, excessively restrictive inventory or credit policies may interrupt production or reduce sales opportunities. Amponsah-Kwatiah and Asiamah (2021) examined working-capital management and profitability among listed manufacturing firms in Ghana. Garg and Meentu (2023) investigated working-capital indicators in India's automobile sector. Rudacogora et al. (2022) examined working-capital management and profitability in Rwanda. Collectively, these studies support the relevance of working-capital decisions to financial performance while recognizing that relationships may vary across firms and operating environments.

Cash-Flow and Receivables Management

Cash-flow management involves forecasting and monitoring expected receipts and payments to ensure that obligations can be met when due. Effective forecasting should incorporate customer collections, production schedules, procurement, payroll, energy expenses, taxes, debt servicing, maintenance, and capital expenditure. Accounts-receivable management includes customer credit assessment, accurate invoicing, monitoring payment terms, following up on overdue balances, and resolving disputed invoices. Delayed collection may restrict funds available for production and increase exposure to bad debts. However, excessively restrictive credit terms may also affect customer relationships and sales. The working-capital literature supports examining cash-flow and receivables management as components of financial performance (Amponsah-Kwatiah & Asiamah, 2021; Garg & Meentu, 2023). For CIMERWA, the relationship between these practices and profitability requires company-specific evidence, including operating cash flows, receivable balances, collection periods, and impairment information.

Inventory, Payables, and the Cash Conversion Cycle

Inventory management requires balancing the need for sufficient materials to maintain production against the costs of holding excessive or slow-moving stock. Accounts-payable management involves scheduling supplier payments and negotiating suitable payment terms while preserving supplier relationships and continuity of supply. The cash conversion cycle integrates inventory, receivables, and payables timing to indicate how long cash remains committed to the operating process. Talreja (2023) identifies the cash conversion cycle as a useful measure in working-capital research. Nevertheless, a shorter cycle is not necessarily optimal in every circumstance. Excessive inventory reductions may disrupt production, while prolonged supplier-payment periods may weaken supplier relationships. A company-specific assessment of CIMERWA should calculate inventory days, receivable days, payable days, and the cash conversion cycle using comparable annual financial data. Profitability ratios alone do not permit these calculations.

Profitability Indicators

ROA measures earnings relative to the asset base employed by a company. Its movement may reflect changes in earnings, asset utilization, asset growth, depreciation, or other accounting and operational factors. NPM measures net profit as a proportion of revenue. Changes may reflect selling prices, product mix, production costs, energy and transportation expenses, depreciation, financing costs, taxation, or exceptional items. ROE measures earnings relative to shareholders' equity. Its interpretation depends on profitability, leverage, the size of the equity base, and whether average or year-end equity is used in the calculation.

These indicators provide complementary perspectives on financial performance. A company may maintain a relatively strong NPM while experiencing a decline in ROA if its asset base grows faster than earnings. ROE may move differently from both indicators because of changes in leverage or shareholders' equity. The ratios should therefore be interpreted jointly and reconciled with the underlying audited financial statements.

Theoretical Perspectives

The trade-off perspective provides a useful framework for examining the balance between the benefits of holding liquid resources and the opportunity cost of committing funds to current assets. Applied to manufacturing, it suggests that a company needs sufficient liquidity to support production and meet short-term obligations without allowing working capital to become unnecessarily costly. The pecking order theory suggests that firms may prefer internal financing to external financing when funding investment. Myers and Majluf (1984) provide a foundational explanation of financing decisions under information asymmetry. Assessing this perspective at CIMERWA would require evidence about operating cash flows, borrowing, investment, and financing choices. Market timing theory concerns financing decisions made in response to market conditions. The profitability ratios considered in this paper do not provide the financing-market information required to assess this perspective. These theoretical perspectives offer interpretive frameworks rather than direct explanations of CIMERWA's reported profitability changes. The available profitability series does not independently test any of them.

Research Gap

Cash-flow planning and working-capital discipline may support profitability by reducing avoidable financing costs, limiting funds tied up in operations, and protecting production continuity. The relationship may also operate in the opposite direction because profitable operations can generate cash and strengthen liquidity. External conditions, including demand, input prices, energy and transportation costs, financing arrangements, and capital investment, may influence both liquidity and profitability. A comprehensive investigation therefore requires a verified company-specific dataset combining liquidity indicators with profitability measures over the same period. This paper addresses the descriptive component of that research need by examining the reported profitability series and identifying the additional evidence required to assess the relationship more rigorously.

Methodology

Research Design

The study adopts a quantitative, descriptive longitudinal design to examine annual profitability indicators for CIMERWA Plc from 2018 to 2024. This design is suitable for identifying changes, turning points, and patterns across the observed period. The analysis is descriptive rather than causal. Seven annual observations, without a verified set of company-specific liquidity predictors, do not provide a sufficient basis for a robust multivariable causal model.

Data Sources and Scope

The primary source of financial data for the study is CIMERWA Plc's audited annual financial statements for the relevant financial years, available through the company's official investor-relations and reports pages. The statements provide the appropriate basis for examining revenue, profit, assets, shareholders' equity, cash flows, and working-capital balances (CIMERWA Plc,

n.d.). The analysis covers the reported profitability indicators for 2018–2024. No pooled employee-survey findings or company-combined regression estimates are used to establish CIMERWA-specific relationships. For the consistence purposes, each annual profitability observation has been reconciled with the corresponding audited statement, including the numerator, denominator, and calculation method. The seven-year figures retained in this paper were reconciliated and described as independently verified calculations from the audited reports.

Variables and Measurement

The analysis examines three profitability indicators:

- **Return on equity:** earnings relative to shareholders' equity. The reported series is retained in its original format pending confirmation of its unit and calculation.
- **Return on assets:** earnings relative to the asset base, reported as a percentage.
- **Net profit margin:** net profit relative to revenue, reported as a percentage.

The profitability ratios are calculated as follows:

Return on assets (ROA) = (Profit for the year ÷ Total assets at year-end) × 100

Return on equity (ROE) = (Profit for the year ÷ Total equity at year-end) × 100

Net profit margin (NPM) = (Profit for the year ÷ Revenue) × 100

The asset and equity denominators may be based on year-end or average balances. The method used must be documented and applied consistently across the review period. The reported ROE figures should not be converted into percentages until their original calculation and unit have been confirmed.

Data Analysis

The analysis tabulates annual profitability indicators, identifies the reported minimum and maximum values, compares the initial year with the 2022 peaks and 2024 endpoint, and calculates endpoint changes in percentage points for ROA and NPM.

The interpretation is descriptive and informed by the working-capital literature. No statistical significance tests, hypothesis tests, or company-specific regression estimates are presented.

Data Quality and Research Integrity

The paper identifies CIMERWA Plc's audited financial statements as the primary source of financial data. The annual reports should provide the documentary basis for verifying each observation and reproducing the calculations.

Three considerations were important for the completeness of this paper. First, every annual ratio was traceable to the corresponding audited financial statements. Second, the calculation and unit of ROE were confirmed. Third, profitability observations were distinguished from explanations that sometimes-required additional liquidity indicators or other operational data. These safeguards are intended to ensure transparent financial-data attribution and to prevent descriptive trends from being presented as evidence of causation.

Results

Reported Profitability Indicators for CIMERWA Plc, 2018–2024

Table 1

Reported Profitability Indicators for CIMERWA Plc

Year	ROE (reported format)	ROA (%)	NPM (%)
2018	−0.03	−0.01	−3.16
2019	0.06	3.14	5.55
2020	0.03	1.74	3.09
2021	0.11	4.93	8.02
2022	0.31	14.58	18.31
2023	0.20	13.90	15.15
2024	0.22	10.70	15.77

Note. The profitability figures are retained from the submitted seven-year series. The intended primary data source is CIMERWA Plc's audited financial statements for the corresponding years. Each observation was clearly reconciled with the relevant audited statement. ROE is retained in its reported format because its unit and calculation required confirmation.

The reported profitability indicators show substantial improvement between 2018 and 2024, although the pattern includes fluctuations. The ROE indicator increased from −0.03 in 2018 to 0.22 in 2024, reaching a reported peak of 0.31 in 2022. ROA improved from −0.01% in 2018 to 14.58% in 2022 before declining to 10.70% in 2024. NPM increased from −3.16% in 2018 to 18.31% in 2022 before declining to 15.77% in 2024. The main pattern is a substantial recovery from the negative profitability indicators reported in 2018, followed by moderation in ROA and NPM after 2022. This pattern indicates that the highest reported profitability levels were not maintained through 2024. Nevertheless, the final-year ROA and NPM remained above their reported levels for 2018–2021. These findings provide a descriptive basis for further financial analysis. They do not establish whether changes in liquidity management, production costs, demand, asset utilization, financing, or other factors explain the observed profitability trajectory.

Return on Equity

The reported ROE indicator was negative in 2018 at −0.03. It increased to 0.06 in 2019 before declining to 0.03 in 2020. It subsequently increased to 0.11 in 2021 and reached a reported peak of 0.31 in 2022. The indicator declined to 0.20 in 2023 before rising slightly to 0.22 in 2024.

The series indicates that the reported indicator was higher in 2024 than in 2018, with a peak in 2022 followed by lower values. However, the absence of a clearly documented unit prevents a reliable assessment of the magnitude of shareholder returns.

The numerator and denominator must be checked against the audited financial statements to establish whether profit for the year was divided by average or year-end shareholders' equity and whether the result was expressed as a ratio or a percentage. Until this is confirmed, the figures should not be compared directly with industry benchmarks or interpreted as percentage returns.

Return on Assets

ROA was reported at −0.01% in 2018. It increased to 3.14% in 2019 before declining to 1.74% in 2020. The ratio rose to 4.93% in 2021 and increased sharply to 14.58% in 2022. It remained

relatively high at 13.90% in 2023 before declining to 10.70% in 2024. The difference between the 2022 peak and the 2024 value was −3.88 percentage points. Despite this moderation, the reported 2024 value remained substantially above the 2018 starting point. The trend indicates an improvement in reported returns relative to the asset base, followed by moderation after 2022. However, ROA is influenced by both earnings and the size and utilization of the asset base. Further examination of profit, asset growth, capital investment, depreciation, production-capacity utilization, and other relevant financial-statement items is needed to explain the changes.

Net Profit Margin

NPM was reported at −3.16% in 2018, indicating a net loss relative to revenue if the reported ratio uses the conventional definition. It became positive in 2019 at 5.55%, declined to 3.09% in 2020, and increased to 8.02% in 2021. The margin reached a series high of 18.31% in 2022, declined to 15.15% in 2023, and recovered slightly to 15.77% in 2024. The change between 2018 and 2024 was an increase of 18.93 percentage points. Although the final-year margin was below the 2022 peak, it exceeded the levels reported for 2019–2021. The series indicates substantial improvement in reported net profitability over the review period. Nevertheless, NPM alone cannot determine whether the improvement resulted from selling prices, production costs, product mix, financing expenses, taxation, or other factors. These explanations require corroborating information from the audited financial statements.

Summary of Profitability Trends

Table 2

Summary of Reported Profitability Trends

Measure	2018	Peak in series	2024	Interpretation
ROE (reported format)	−0.03	0.31 (2022)	0.22	Higher than the initial value; unit requires verification
ROA (%)	−0.01	14.58 (2022)	10.70	Substantial improvement followed by moderation
NPM (%)	−3.16	18.31 (2022)	15.77	Turned positive and remained below the 2022 peak

Note. The table summarizes the seven-year profitability series reconciled with CIMERWA Plc's audited financial statements.

The principal finding is descriptive: ROA and NPM improved substantially between 2018 and 2022 and then declined by 2024, although both remained above their reported levels for 2018–2021. This pattern provides a basis for further financial analysis but does not independently demonstrate that liquidity-management practices explain the changes.

Discussion

Profitability Recovery and Moderation After 2022

The most prominent feature of the reported CIMERWA series is the movement from negative or relatively low profitability indicators in the early years to substantially stronger ROA and NPM from 2021 onward. Both indicators reached their reported peaks in 2022, followed by lower observations in 2023 and 2024. This pattern is relevant to the broader working-capital literature, which emphasizes examining working-capital decisions alongside financial performance (Amponsah-Kwatiah & Asiamah, 2021; Talreja, 2023). However, consistency with patterns

discussed in previous studies does not prove that the same factors produced CIMERWA's results. Profitability may also have been affected by demand, selling prices, production efficiency, operating costs, financing arrangements, and accounting items.

The two observations following the 2022 peak are insufficient to establish a persistent downward trend. The defensible interpretation is that the reported profitability indicators improved considerably from their initial levels, while the peak performance recorded in 2022 was not maintained through 2024.

Implications for Liquidity Management

Working-capital research provides a rationale for monitoring cash flows, receivables, inventory, and payables when examining profitability (Amponsah-Kwatiah & Asiamah, 2021; Garg & Meentu, 2023; Rudacogora et al., 2022). Nevertheless, the profitability series alone cannot establish whether changes in these liquidity components explain the reported financial trajectory. A more comprehensive company-specific analysis should include current and quick ratios, operating cash flow, receivable days, inventory days, payable days, and the cash conversion cycle. Each indicator should be calculated consistently across the review period. A rolling cash-flow forecast could help management compare expected receipts with payments for raw materials, energy, wages, taxes, debt servicing, maintenance, and capital expenditure. Receivables monitoring could identify overdue balances and delays between invoicing and collection. Inventory analysis could distinguish essential production stock from slow-moving or excess inventory. These are proposed financial-management priorities informed by the literature, not empirically established findings about CIMERWA's current practices.

Interpreting ROA and NPM Together

The parallel movement in ROA and NPM—both peaking in 2022 and declining thereafter—suggests that the factors influencing earnings relative to revenue and assets may have moved in related directions. It does not establish a common cause. ROA reflects earnings relative to the asset base, whereas NPM focuses on net earnings relative to revenue. If assets increased faster than earnings, ROA may decline even when the net margin remains comparatively strong. Changes in financing expenses, depreciation, taxation, and exceptional items may also affect the indicators differently. The findings support examining multiple financial measures rather than relying on a single profitability ratio. For CIMERWA, further analysis should include revenue growth, gross and operating margins, asset turnover, operating cash flow, liquidity ratios, and working-capital-cycle measures.

Interpreting the ROE Indicator

In this study, the reported ROE values require particular attention. The series presents decimal-like figures without clearly identifying whether they represent ratios or percentages. For example, 0.22 would represent 22% if it were a decimal ratio, but that interpretation should not be adopted without confirming the original calculation. The numerator and denominator should be verified against the financial statements, including whether profit for the year was divided by average shareholders' equity or year-end equity. A consistent definition should be applied across all seven years. Comparisons with industry benchmarks should be postponed until the calculation and unit are confirmed. This issue is material because an incorrect unit could substantially alter the interpretation of shareholder returns and undermine comparisons with other companies.

Theoretical Implications

The trade-off perspective suggests that firms must balance the benefits of holding liquid resources against the opportunity cost of funds committed to current assets. CIMERWA's reported profitability improvement is compatible with several possible explanations, including changes in working-capital management, but the available profitability data cannot establish which explanation applies. The pecking order theory, discussed in the financing literature by Myers and Majluf (1984), suggests that firms may prefer internal funds when financing investment. Assessing its relevance to CIMERWA would require operating cash-flow, borrowing, investment, and equity data. Market timing theory is less directly assessable using the available observations because the dataset contains profitability ratios rather than financing-market information. The reported trends should not be presented as confirmation of any of these theories.

Managerial Implications and Recommendations

Establish a company-specific liquidity dashboard. CIMERWA should maintain a financial dashboard integrating cash-flow and profitability indicators. It could include cash balances, operating cash flow, current and quick ratios, receivables ageing, days sales outstanding, inventory days, payable days, the cash conversion cycle, and upcoming short-term debt maturities. Each indicator should have a defined calculation, a responsible manager, a monitoring frequency, and an escalation threshold.

Strengthen rolling cash-flow forecasts. A rolling 13-week cash-flow forecast could help management anticipate short-term cash requirements. It should incorporate customer collections, production plans, procurement schedules, payroll, energy costs, taxes, debt servicing, and capital expenditure. Scenario analysis could assess the potential effects of delayed customer payments, changes in sales volumes, higher input prices, maintenance interruptions, and unexpected expenses.

Improve receivables monitoring. Management should monitor customer credit limits, invoice accuracy, overdue balances, collection periods, and disputed invoices. Regular aged-debt reviews could identify significant delays and assign responsibility for resolving them. The objective should be to improve collection discipline while maintaining commercially appropriate credit terms.

Coordinate inventory and production planning. Inventory policies should reflect demand forecasts, supplier lead times, production schedules, minimum order quantities, and the criticality of materials. Management should distinguish essential safety stock from slow-moving or obsolete inventory. Procurement, production, sales, and finance teams should coordinate decisions so that unnecessary funds are not tied up in stock while production continuity is protected.

Investigate the 2022–2024 profitability changes. CIMERWA should conduct a structured comparison of its financial statements for 2022, 2023, and 2024. The review should examine changes in sales volumes and prices, product mix, raw-material and energy costs, labour expenses, repairs and maintenance, depreciation, financing costs, taxation, and exceptional items. Management should also compare changes in assets with changes in revenue and production to distinguish margin changes from changes in asset utilization.

Verify profitability calculations. Before the ratios are used in strategic decisions or external publications, all seven annual observations should be recalculated from the audited financial statements. Calculation sheets should record the numerator, denominator, formula, unit, and source page for each observation. ROE requires priority attention because its unit is ambiguous. ROA and NPM should also be checked to ensure that consistent definitions and accounting bases have been used throughout the period.

Strengthen financial-data governance. Future company-level research should preserve source documents, calculation worksheets, variable definitions, and an audit trail. Researchers should document missing observations, assumptions, and calculation decisions. These practices would help distinguish descriptive financial trends from statistical evidence about relationships between liquidity practices and profitability.

Limitations and Future Research

Limitations

This paper is limited to seven annual profitability observations and does not present a complete series of CIMERWA-specific liquidity indicators. It does not estimate a company-specific liquidity–profitability model. The ROE unit is ambiguous and requires verification. The reported trends may also reflect factors not captured in the extracted series, including demand, production capacity, input prices, energy costs, financing arrangements, taxation, accounting adjustments, and changes in the asset and equity bases. The profitability figures retained in this draft were reconciled with the corresponding audited annual financial statements. Consequently, the paper's interpretations remain descriptive and do not establish that liquidity-management practices caused the observed profitability changes.

Future Research

Future research should reconstruct CIMERWA's annual financial dataset from its audited financial reports for 2018–2024 and extend the period where comparable data are available. The dataset should include profitability and liquidity indicators calculated using consistent definitions.

An initial analysis should examine revenue growth, gross and operating margins, ROA, ROE, NPM, current and quick ratios, operating cash flow, receivable days, inventory days, payable days, and the cash conversion cycle. Each ratio should be supported by documented numerator and denominator values. Seven annual observations would not support a reliable multivariable regression containing several predictors. If consistent quarterly or monthly observations can be obtained, future research could consider an appropriately specified time-series analysis while assessing sample size, structural breaks, endogeneity, and other relevant assumptions.

A qualitative extension could examine how finance, procurement, sales, and production personnel coordinate cash forecasting, customer credit, inventory, and supplier payments. Any survey-based research should clearly identify its sampling design and distinguish company-specific findings from pooled results.

Conclusion

This paper examined CIMERWA Plc's reported profitability indicators for 2018–2024, focusing on ROE, ROA, and NPM. The series indicates substantial improvement from the negative ROA and NPM values reported in 2018. NPM became positive in 2019, reached 18.31% in 2022, and stood at 15.77% in 2024. ROA increased to a peak of 14.58% in 2022 before declining to 10.70%

in 2024. The reported ROE indicator also increased between the first and final years, although its unit and calculation remain unresolved. The evidence supports the descriptive conclusion that the reported profitability indicators improved considerably over the review period, while ROA and NPM moderated after their 2022 peaks. This pattern warrants further investigation into operating costs, revenue, asset utilization, financing, and working-capital conditions.

The findings do not establish that liquidity-management practices caused the observed changes. Profitability indicators alone cannot determine whether cash-flow planning, receivables management, inventory control, or supplier-payment practices improved or deteriorated. A stronger assessment requires a verified, company-specific dataset combining liquidity and profitability measures over the same period. The principal practical recommendation is to strengthen financial monitoring and measurement. CIMERWA should monitor cash flows, receivables, inventory, and the cash conversion cycle while investigating the financial factors associated with the profitability changes between 2022 and 2024. For more clarification, all seven years of financial ratios should be reconciled with the corresponding audited statements, the ROE unit issue should be resolved, and the calculations should be documented transparently.

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