

The Influence of Hedging Policy, Exchange Rates & Operational Costs on Financial Performance at PT Ultrajaya Milk Industry & Trading Company Tbk for the Period 2015 - 2025

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Abstract: *This research is motivated by the fluctuation of exchange rates and increasing operational costs that have the potential to affect the financial performance of PT Ultrajaya Milk Industry & Trading Company Tbk, while the company did not show the use of hedging instruments during the observation period. This study aims to analyze the effect of hedging policies, exchange rates, and operational costs on financial performance as measured by Return on Assets (ROA) for the period 2015 to 2025. This study uses a causal associative research method with a quantitative approach. The population and sample are PT Ultrajaya's financial statements for 2015 to 2025 with 11 annual observations. The research instrument is secondary data documentation from financial statements, while the analysis is carried out using SPSS 27 through descriptive statistics, classical assumption tests, multiple linear regression, t-tests, F-tests, correlations, and coefficients of determination. The results show that hedging policies do not have data variations, while exchange rates and operational costs do not have a significant effect on ROA with significance values of 0.786 and 0.816, respectively. The simultaneous model was insignificant with $F = 2.040$ and $p = 0.210$, and an R^2 of 50.5%. In conclusion, exchange rate changes and operational costs were not significant factors in explaining ROA, while hedging policy could not be tested inferentially due to its lack of variation.*

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Introduction

Indonesia is a developing country whose economic growth is supported by the food and beverage industry, which makes a significant contribution to Gross Domestic Product. Population growth, per capita income, and changing consumption patterns are driving the development of this subsector and increasing the demand for companies to maintain healthy financial performance. PT Ultrajaya Milk Industry & Trading Company Tbk is a food and beverage company that specializes in UHT milk and ready-to-drink beverages.



A comparison of the net profits of PT Ultrajaya, PT Siantar Top, and PT Garudafood for the 2020–2024 period shows that Ultrajaya's profits remained relatively stable, exceeding IDR 1 trillion, with the highest profit reaching IDR 1.27 trillion in 2021. This demonstrates the company's ability to maintain profitability amid changing market conditions and post-pandemic recovery. This stability is an interesting phenomenon to further examine through Ultrajaya's financial performance for the 2015–2025 period.

The research problem relates to the increase in Ultrajaya's operating costs during the 2015–2025 period, specifically selling expenses and general and administrative expenses. The increase in costs is in line with business expansion, distribution, and marketing, but if not offset by increased revenue, it can depress profitability. Therefore, operational cost efficiency is a crucial factor in maintaining the company's ROA.

In addition to operational costs, Ultrajaya faces the risk of fluctuations in the rupiah exchange rate against the US dollar because some of its raw materials are imported. A weakening rupiah could increase production costs and depress profits. While hedging could theoretically be used to mitigate this risk, Ultrajaya's financial statements do not record the use of derivative instruments or the application of hedge accounting, despite having a Forex Line facility from a bank.

Previous research has yielded mixed results. Suprihandari, Masyhuri, and Pristiwantiyasih (2019) showed that companies that hedge tend to have better financial performance than non-hedging companies. Tulende, Parengkuan, and Van Rate (2014) demonstrated that the rupiah exchange rate simultaneously significantly impacts ROA, while Dewi and Kusuma (2019) stated that the relationship between operating costs and ROA is quite strong, although not always significant. However, research specifically examining these three variables at PT Ultrajaya over the 2015–2025 period is still limited.

This study aims to determine the effect of hedging policies, the rupiah exchange rate, and operational costs on the ROA of PT Ultrajaya Milk Industry & Trading Company Tbk for the 2015–2025 period, both partially and simultaneously. The urgency of this research lies in the company's ability to maintain relatively stable performance despite facing exchange rate fluctuations and not recording the use of derivative instruments. The novelty of this research lies in testing these three variables simultaneously on a single company for the 2015–2025 period, encompassing the pandemic and economic recovery.

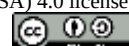
Method

This study uses a causal associative research method with a quantitative approach. The quantitative approach was used because the data are in the form of numbers from the financial statements of PT Ultrajaya Milk Industry & Trading Company Tbk for the period 2015 to 2025 and were analyzed statistically. According to Sugiyono (2021:7), quantitative methods are used to test hypotheses through numerical data. Descriptive methods are used to describe hedging policies, exchange rates, operating costs, and ROA, while verification methods are used to examine the effect of exchange rates and operating costs on ROA. Hedging policies were analyzed descriptively because they did not vary during the study period.

The research instrument consists of secondary data from PT Ultrajaya's financial statements for the period 2015 to 2025, specifically the statement of financial position and income statement. Data were obtained through documentation, observation, and literature review. The research variables include hedging policies with dummy indicators, exchange rates based on the rupiah's middle rate against the US dollar, operational costs in the form of selling expenses and general and administrative expenses, and ROA based on current year profit and total assets.

Data analysis was conducted using SPSS version 27 through descriptive analysis, classical assumption tests, multiple linear regression, Pearson correlation, t-test, F-test, and coefficient of determination. Classical assumption tests include normality, multicollinearity, heteroscedasticity, and autocorrelation. Multiple linear regression was used to test the effect of exchange rates and operational costs on ROA. Hedging policies were analyzed descriptively because there was no data variation during the study period.

The research population is the financial statements of PT Ultrajaya Milk Industry & Trading Company Tbk for the period 2015 to 2025. According to Sugiyono (2021:215), a population is a generalized area that has certain characteristics, while Arikunto (2018:173) states that a population is the entire research subject. The research sample consists of the financial position report and profit and



loss report of PT Ultrajaya for the period 2015 to 2025 which are used to obtain data on exchange rates, operational costs, ROA, and hedging policy information.

The research procedure begins by identifying the phenomena of PT Ultrajaya's financial performance, operational costs, exchange rates, and hedging policies. Next, financial report data from 2015 to 2025 was collected and recorded. The data was then processed to obtain the value of each variable, including ROA. The data was then analyzed using descriptive statistics, classical assumption tests, multiple linear regression, Pearson correlation, t-test, F-test, and coefficient of determination with SPSS version 27. The results of the analysis were used to answer the research problem formulation and draw research conclusions.

Results and Discussion

Descriptive Analysis

Table 1 Descriptive Statistics Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Hedging	11	0	0	.00	.000
Exchange rate	11	13307	16478	14529.64	1027.651
Operating costs	11	729.85	1622.77	1073.3573	255.78126
ROA	11	.13	.17	.1482	.01537
Valid N (listwise)	11				

Based on Table 1, descriptive analysis was used to describe the research data based on minimum, maximum, mean, and standard deviation values (Sugiyono, 2021). The results showed that the exchange rate and operating costs fluctuated during 2015–2025, while ROA tended to be stable. The hedging policy had an overall value of 0, indicating that PT Ultrajaya did not engage in hedging activities during the study period.

Table 2 Hedging Policy of PT Ultrajaya Milk Industry & Trading Company Tbk for the 2015-2025 Period

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Hedging (X1)	0	0	0	0	0	0	0	0	0	0	0

Based on the results of a review of PT Ultrajaya Milk Industry & Trading Company Tbk's financial statements for the period 2015–2025, it was found that the company did not engage in hedging activities. This is indicated by the absence of derivative instruments in the company's financial statements during the study period.

Table 3 Exchange Rates PT Ultrajaya Milk Industry & Trading Company Tbk. 2015-2025 period

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Exchange rate (X2)	13,392	13,307	13,384	14,250	14,146	14,577	14,312	14,876	15,254	15,850	16,478

Based on Table 3, it can be seen that the rupiah exchange rate against the US dollar during the 2015–2025 period experienced quite significant changes. The lowest exchange rate occurred in 2016 at

13,307, while the highest value occurred in 2025 at 16,478..

**Table 4 Operational Costs of PT Ultrajaya Milk Industry & Trading Company Tbk.
Period 2015–2025 (in rupiah)**

Year	Operating Costs (X3)
2015	729,850,577,125
2016	771,136,778,406
2017	861,851,000,000
2018	1,052,258,000,000
2019	1,111,760,000,000
2020	1,004,934,000,000
2021	958,711,000,000
2022	1,185,591,000,000
2023	1,235,498,000,000
2024	1,622,770,000,000
2025	1,272,573,000,000

Table 4 shows that PT Ultrajaya Milk Industry & Trading Company Tbk's operational costs during the 2015–2025 period experienced significant year-to-year changes. The lowest operational cost occurred in 2015 at Rp729,850,577,125, while the highest occurred in 2024 at Rp1,622,770,000,000.

**Table 5 ROA of PT Ultrajaya Milk Industry & Trading Company Tbk.
2015–2025 period**

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
ROA (Y)	0.15	0.17	0.14	0.13	0.16	0.13	0.17	0.13	0.16	0.14	0.15

Table 5 shows that the financial performance of PT Ultrajaya Milk Industry & Trading Company Tbk, as measured by ROA, fluctuated during the 2015–2025 period. The lowest ROA values occurred in 2018, 2020, and 2022 at 0.13, while the highest values occurred in 2016 and 2021 at 0.17.

Classical Assumption Test

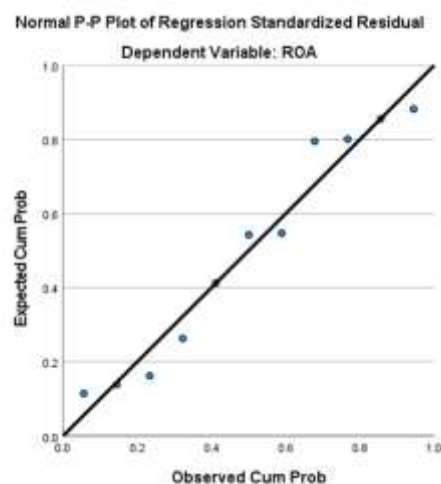


Figure 1 PP Plot Graph of Normality Test

Looking at Figure 1, we can see that the points on the PP Plot are spread around the diagonal line and follow the direction of the line. This indicates that the residuals in the regression model are normally distributed. The distribution of points close to the diagonal line indicates that the data meets the assumption of normality.

Table 6 Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.139	.113		1,230	.254		
Exchange rate	2.359E-6	.000	.158	.229	.825	.244	4,097
Operating costs	-2.378E-5	.000	-.396	-.574	.582	.244	4,097

Based on the multicollinearity test results in Table 6, the tolerance values for the exchange rate and operational costs variables are each 0.244, which is greater than 0.10. Meanwhile, the Variance Inflation Factor value for both variables is 4.097, which is less than 10.

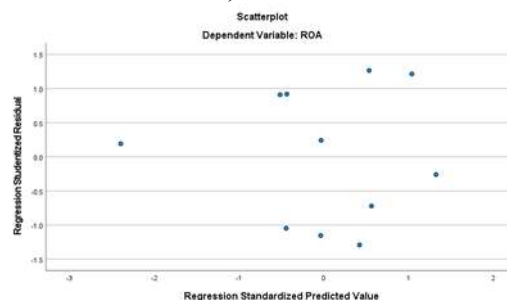


Figure 2 Scatter Plot Graph of Heteroscedasticity Test Results

If we look at the results in Figure 2, the points on the scatter plot are spread out and do not have a clear distribution pattern or form a certain pattern, so there is no heteroscedasticity disturbance in the regression model, and this regression model is suitable for use.

Table 7 Durbin-Watson (DW) Test Interpretation Guidelines

Criteria	Information
< 1,000	There is Autocorrelation interference
1,100-1,550	Without conclusion
1,550-2,460	There is no autocorrelation interference
2,460-2,900	Without conclusion
> 2,900	There is autocorrelation interference

Table 8 Autocorrelation Test Results with Durbin-Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.270a	.073	-.159	.01655	3,349

Based on the initial test results in Table 8, the Durbin-Watson value was 3.349. Based on the criteria in Table 7, this value is in the category > 2.900, indicating that the regression model is experiencing autocorrelation problems.

Table 9 Run Test Results

Runs Test	
	Unstandardized Residual
Test Value ^a	.00177
Cases < Test Value	5
Cases ≥ Test Value	6
Total Cases	11
Number of Runs	8
Z	.671
Asymp. Sig. (2-tailed)	.502

Based on the results of the Run Test, the Asymp. Sig. (2-tailed) value was obtained at 0.502. This value is greater than 0.05, so the residuals are random. Thus, based on the Run Test results, it can be concluded that the regression model does not experience autocorrelation.

Table 10 Results of LAG (Y) Autocorrelation Test with Durbin-Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.711 ^a	.505	.257	.01395	1,791

Based on the table above, after corrections using the lag method, the Durbin-Watson value was 1.791. This value is in the range of 1.550–2.460, thus concluding that the regression model does not experience autocorrelation.

Quantitative Analysis

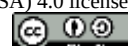
Table 11 Results of Multiple Regression Test of Exchange Rates, Operational Costs and LAG_Y

Model		Unstandardized Coefficients		Standardized Coefficients	T
		B	Std. Error	Beta	
1	(Constant)	.295	.117		2,515
	Exchange rate	-2.551E-6	.000	-.159	-.284
	Operating costs	-9.032E-6	.000	-.135	-.243
	LAG_Y	-.673	.296	-.673	-2,271

Based on the regression results in Table 11, the equation $ROA = 0.295 - 2.551E-6 \text{ Exchange Rate} - 9.032E-6 \text{ Operational Cost} - 0.673 \text{ Lag ROA} + \varepsilon$ is obtained. The constant 0.295 indicates the ROA value when all variables are 0. The exchange rate coefficient of -2.551E-6 and operational costs of -9.032E-6 indicate a negative relationship to ROA, while the lag ROA of -0.673 is also negative but does not have a statistically significant effect.

Table 12 Guidelines for Interpretation of Correlation Coefficients

Correlation Coefficient Value Interval	Relationship Level
0.000 to 0.199	Very Low
0.200 to 0.399	Low
0.400 to 0.599	Currently



0.600 to 0.799	Strong
0,800 to 1,000	Very strong

Table 13 Results of the Correlation Coefficient Test of Exchange Rate, Operating Costs, and LAG_Y

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.711a	.505	.257	.01395

Based on the test results in Table 13, the correlation coefficient (R) value is 0.711. Based on the correlation coefficient interpretation guidelines in Table 4.12, this value is in the 0.600–0.799 range, indicating a strong relationship.

Table 14 Results of Simultaneous Test of Determination Coefficients for Exchange Rate, Operating Costs, and LAG_Y

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.711a	.505	.257	.01395

Based on the test results in Table 14, the coefficient of determination (R Square) was 0.505 or 50.5%. This indicates that the exchange rate, operational costs, and lag ROA variables are able to explain financial performance (ROA) by 50.5%, while the remaining 49.5% is influenced by other factors outside this study, such as sales factors, production efficiency, management strategy, and market conditions.

Hypothesis Testing

Table 15 Results of Hypothesis Testing (t-Test) Exchange Rate, Operating Costs, and LAG_Y

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	.295	.117			2,515	.046
Exchange rate	-2.551E-6	.000	-.159	-.284	.786	
Operating costs	-9.032E-6	.000	-.135	-.243	.816	
LAG_Y	-.673	.296	-.673	-	.064	
					2,271	

Based on the test results in Table 15, for the exchange rate variable (X_2), the calculated t value $< t$ table is $-0.284 < 1.860$, and the significance value is $0.786 > 0.05$, so that H_0 is accepted and H_1 is rejected. This indicates that there is no significant influence between the exchange rate (exchange rate) on financial performance (ROA) at PT Ultrajaya Milk Industry & Trading Company Tbk.

Table 16 Results of Hypothesis Testing (t-Test) Exchange Rate, Operating Costs, and LAG_Y

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.
	B	Std. Error	Beta			
1 (Constant)	.295	.117			2,515	.046

Exchange rate	-2.551E-6	.000	-.159	-.284	.786
Operating costs	-9.032E-6	.000	-.135	-.243	.816
LAG_Y	-.673	.296	-.673	-2,271	.064

Based on the test results, the t-value was obtained at -2.271 with a significance value of 0.064 > 0.05, so H_0 was accepted and H_1 was rejected. This indicates that the financial performance of the previous period does not directly affect the financial performance of the current period at PT Ultrajaya Milk Industry & Trading Company Tbk.

Table 17 Results of Hypothesis Test (F Test) Exchange Rate, Operating Costs, and LAG_Y.

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.001	3	.000	2,040	.210b
Residual	.001	6	.000		
Total	.002	9			

Based on the research results in Table 17, it can be concluded that the calculated F value is 2.040 with a significance value of 0.210 > 0.05, so that H_0 is accepted and H_1 is rejected. Thus, it can be concluded that there is no significant simultaneous influence between hedging policies, exchange rates, and operational costs on financial performance (ROA) at PT Ultrajaya Milk Industry & Trading Company Tbk.

Discussion

1. The Effect of Hedging Policy on Financial Performance (ROA)

Based on the results of the analysis conducted by the researcher, the hedging policy variable in this study did not have any data variation during the research period, where all the values obtained were 0. This shows that PT Ultrajaya Milk Industry & Trading Company Tbk did not carry out hedging activities during the 2015–2025 period.

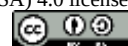
Due to the lack of variation in the data, the hedging policy variable was still included in the regression model, but it did not significantly impact financial performance (ROA). Statistically, variables without variation in the data are unable to explain changes in the dependent variable and therefore do not contribute to the research model.

However, the results of this study indicate that the company's lack of hedging is suspected to be one of the factors causing the exchange rate variable to have no significant impact on financial performance. This is because the company likely has other internal policies for managing risk, or it likely doesn't have a high risk exposure to exchange rate fluctuations, thus not feeling the need for hedging.

Furthermore, the findings of this study are supported by previous research conducted by Miya Dewi Suprihandari, Mohammad Ali Masyhuri, and Pristiwantiyasih (2019) entitled "Analysis of the Financial Performance of Manufacturing Companies Hedging on the Indonesia Stock Exchange," which states that there are significant differences between companies that hedge and those that do not hedge in terms of financial performance. This finding indicates that companies that hedge tend to have better performance than companies that do not, thus making the existence of hedging activities important in influencing financial performance.

However, in this study, the actual situation actually indicates that the company did not hedge at all, resulting in the hedging variable having no variation and unable to explain changes in financial performance. In other words, the absence of hedging activity causes this variable to lose its role as an independent variable in influencing ROA.

Thus, it can be confirmed that the lack of hedging activity is the primary reason this variable has no effect on financial performance (ROA). The lack of data variation results in the hedging variable having no power in the regression model, thus statistically making no contribution to changes in ROA. This confirms that in companies that do not engage in hedging, the hedging



variable cannot impact financial performance.

2. The Effect of Exchange Rates on Financial Performance (ROA)

Based on the analysis conducted by the researcher, a regression coefficient value of $-2.551E-6$ was obtained for the exchange rate variable, indicating a negative relationship between the exchange rate and financial performance (ROA). Furthermore, a correlation coefficient value of 0.711 was obtained, thus the value is in the interval of 0.600 to 0.799, which can be interpreted as indicating that the exchange rate, operational costs, and lag ROA variables have a strong relationship with financial performance (ROA).

The coefficient of determination was 50.5%. Based on these results, it can be concluded that the independent variables in this study are able to explain 50.5% of financial performance, while the remaining 49.5% is influenced by factors outside the study.

However, based on the results of the hypothesis testing, the exchange rate variable (exchange rate) did not significantly impact financial performance (ROA). This indicates that, despite fluctuations in the exchange rate, these changes did not significantly impact the company's financial performance.

The results of this research support the results of research conducted by Yulianto Hadi, Maria Hendriani, Ali Jamaludin, and Fovi Soraya (2024) entitled "The Effect of Financial Performance on Company Value Before and After Mergers and Acquisitions", which states that ROA has a significant positive effect on company value, while TATO, CR, and DER do not affect company value and simultaneously also do not affect company value under certain conditions.

Furthermore, the study also showed that after mergers and acquisitions, ROA, TATO, and CR significantly impacted firm value, while DER remained unaffected. This suggests that the influence of financial variables is not always consistent and can change depending on the company's circumstances.

Furthermore, the results of this study are also in line with previous research by Fifi Ester Nofriyani, Ratna Anda Kristal Halawa, and Keumala Hayati (2021) entitled "The Effect of DER, TATO, CR, and ROA on Company Value (PBV)", which states that simultaneously these variables have a significant effect on company value, but partially not all variables have a significant effect.

This indicates that exchange rate fluctuations do not directly impact the company's financial performance, as the company is likely well-managed or less reliant on transactions sensitive to exchange rate fluctuations. Furthermore, the company's lack of hedging activity also indicates relatively low exposure to exchange rate risk, so exchange rate fluctuations do not significantly impact ROA.

Thus, it can be confirmed that the exchange rate variable does not significantly impact financial performance (ROA) because the company has the ability to manage exchange rate risk and does not have high risk exposure. Furthermore, the stability of the company's financial performance means that exchange rate fluctuations are not strong enough to significantly impact ROA. This indicates that in a stable company without high exposure to exchange rate risk, the exchange rate variable is not a major factor influencing financial performance.

3. The Effect of Operating Costs on Financial Performance (ROA)

Based on the results of the analysis conducted by the researcher, a regression coefficient value of $-9.032E-6$ was obtained for the operating costs variable, indicating a negative relationship with financial performance (ROA). Furthermore, a correlation coefficient value of 0.711 was obtained, which is in the range of 0.600 to 0.799, indicating a strong relationship between operating costs and financial performance. However, a strong relationship does not always indicate a statistically significant effect.

The coefficient of determination value is 50.5%, which illustrates that the independent variables in this study are able to explain financial performance by 50.5%, while the remaining 49.5% is influenced by other factors outside the study.

However, based on the results of the hypothesis testing, the calculated t value $< t$ table is $-0.243 <$

1.860, which is also strengthened by a significance value of $0.816 > 0.05$, so it can be concluded that H_0 is accepted and H_1 is rejected. This shows that there is no significant influence between operational costs on financial performance (ROA) at PT Ultrajaya Milk Industry & Trading Company Tbk.

The results of this study demonstrate that, despite increases or decreases in operating costs, the company is still able to maintain stable financial performance. This indicates that the company is capable of managing operating costs effectively and efficiently, so that changes in operating costs do not directly impact the company's profitability.

The results of this study are also supported by previous research conducted by Maya Widiana Dewi and Indra Lila Kusuma (2019) entitled "Analysis of the Effect of Operational Costs and Revenue on Financial Performance Based on ROA in Construction Services Companies Listed on the IDX in 2015–2017", which stated that operational costs do not have a significant effect on ROA.

This shows that under certain conditions, operational costs are not always the main factor influencing a company's financial performance, because there are other more dominant factors such as management efficiency, operational strategy, and the company's ability to optimize revenue.

Thus, it can be confirmed that operating costs do not significantly impact financial performance (ROA) because the company has the ability to manage costs effectively and maintain stable financial performance. Furthermore, changes in operating costs are not strong enough to significantly impact ROA, so operating costs are not a primary factor in determining the company's financial performance in this study.

4. The Influence of Hedging Policy, Exchange Rates, and Operational Costs on Financial Performance (ROA)

Based on the results of the researcher's analysis, it was shown that the variables of hedging policy, exchange rate, and operational costs did not significantly impact financial performance (ROA). This can be seen from the regression test results, which obtained the following equation:

$$ROA = 0.295 - 2.551E-6 \text{ Exchange Rate} - 9.032E-6 \text{ Operational Cost} - 0.673 \text{ Lag ROA} + \varepsilon$$
Based on this equation, it can be seen that the exchange rate and operational cost variables have a negative relationship direction to financial performance (ROA), which means that every increase in the exchange rate and operational costs tends to be followed by a decrease in ROA, although this effect is not statistically significant.

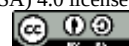
The correlation coefficient, or level of relationship between the independent variables and the dependent variable, was 0.711, meaning it falls within the 0.600 to 0.799 range. This indicates that the exchange rate, operational costs, and lag ROA variables have a strong relationship with financial performance (ROA). However, a strong relationship does not always indicate a statistically significant effect, while the hedging policy variable does not contribute to the model due to its lack of data variation.

Furthermore, based on the results of simultaneous hypothesis testing, the calculated F value < F table is 2.040, which is also strengthened by a significance value of $0.210 > 0.05$. Thus, H_0 is accepted and H_1 is rejected, so it can be concluded that there is no significant simultaneous influence between hedging policies, exchange rates, and operational costs on financial performance (ROA) at PT Ultrajaya Milk Industry & Trading Company Tbk.

The results of this study support the findings of Yulianto Hadi, Maria Hendriani, Ali Jamaludin, and Fovi Soraya (2024) entitled "The Effect of Financial Performance on Company Value Before and After Mergers and Acquisitions," which states that ROA has a significant positive effect on company value, while other variables such as TATO, CR, and DER do not affect company value and do not simultaneously affect company value under certain conditions. This indicates that not all financial variables have a significant effect simultaneously on company performance and value.

In addition, the results of this study are also in line with previous research by Fifi Ester Nofriyani, Ratna Anda Kristal Halawa, and Keumala Hayati (2021) entitled "The Effect of DER, TATO, CR, and ROA on Company Value (PBV)", which states that these variables simultaneously have a significant effect on company value, but partially not all variables have a significant effect.

The differences in results between this study and previous research indicate that the relationship between financial variables and company performance is not always consistent. This could be due to several factors, including differences in research subjects, different research periods, changing



economic conditions, and the presence of other factors that are more dominant in influencing company financial performance.

Furthermore, the insignificant results of this study may also be due to the company's ability to effectively manage risks and costs, so changes in exchange rates and operational costs do not directly impact financial performance. Furthermore, the absence of hedging activities within the company also indicates that it does not have significant risk exposure to exchange rate fluctuations.

Furthermore, the relatively stable condition of the company's financial performance during the research period caused the independent variables to not be strong enough to explain changes in ROA significantly, even though the relationship (correlation) showed a fairly strong relationship.

Thus, it can be confirmed that the insignificant influence of hedging policies, exchange rates, and operational costs on financial performance (ROA) is due to the absence of hedging activities, low exposure to exchange rate risk, and the company's ability to maintain operational stability and efficiency. This indicates that although these variables have a fairly strong relationship, they do not have sufficient power to significantly influence financial performance and are therefore not the primary factors in determining ROA in the companies studied.

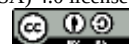
Conclusion

Based on the research results, PT Ultrajaya Milk Industry & Trading Company Tbk did not conduct hedging activities during the period 2015 to 2025, so the hedging policy variable has no data variation and cannot provide a statistical contribution in explaining changes in ROA. Exchange rates and operational costs have a negative relationship direction to ROA, but both do not have a significant effect partially, with significance values of 0.786 and 0.816, respectively. Simultaneously, the variables analyzed also do not have a significant effect on ROA, indicated by an F value of 2.040 with a significance of 0.210. Nevertheless, the model shows a strong relationship with an R value of 0.711 and is able to explain 50.5% of the variation in ROA. These findings indicate that the stability of Ultrajaya's financial performance during the research period is not primarily determined by hedging policies, exchange rate changes, and operational costs, so there are other factors that have the potential to be more dominant in influencing ROA.

This study has limitations in that it covers only one company, spans an observation period of 2015 to 2025, and lacks data variation in the hedging policy variable, making it impossible to statistically test the data in a regression model. Future research is recommended to use several companies in the food and beverage subsector, with a longer observation period, and consider other variables relevant to financial performance. Practically, the results of this study can serve as evaluation material for PT Ultrajaya's management in maintaining ROA stability, increasing operational cost efficiency, and monitoring exchange rate risk. For investors, the results can be used as a consideration in assessing a company's ability to maintain financial performance amidst changes in costs and exchange rates.

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