

ABSTRACT

Sub-industrial coal production companies often engage in transactions with international partners, which exposes them to exchange rate fluctuations and increases their risk. To address this, companies can implement hedging strategies. Several factors can influence a company's hedging decisions.

This study aims to examine the impact of export ratios, profitability, and leverage on the hedging decisions of coal production sub-industries listed on the Indonesia Stock Exchange (IDX) during the period from 2019 to 2022.

This research is quantitative, using logistic regression analysis with SPSS 29. Sampling was conducted using purposive sampling techniques. The sample selection resulted in 11 companies with a 4-year observation period, yielding 44 samples for this study. Data for the research were taken from the financial reports of companies listed on the IDX.

The findings indicate that, collectively, export ratios, profitability, and leverage significantly influence hedging decisions. On a partial basis, export ratios have a significant positive effect on hedging decisions, while profitability and leverage do not have a significant impact on hedging decisions.

The results of this study are expected to serve as a reference for research on hedging decisions. Additionally, it is hoped that this research will be useful for coal production sub-industries in formulating their hedging policies. Investors are also expected to use this research to inform their investment decisions.

Keywords: *Hedging Decisions, Export Ratio, Profitability, Leverage*