

Press Release

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The Supreme Court Decision Has Limited Impact on the Rating on SAMART

TRIS Rating assesses that the Supreme court's decision mandating Samart Corporation PLC (SAMART) to pay 13th Bangkok Asian Game Organizing Committee (BAGOC) and the Sports Authority of Thailand (SAT) in a total of THB718.69 million will have limited impact on the rating assigned to SAMART. Although the settlement will increase the company's debt obligation, we project its debt-to-EBITDA ratio to remain below 3.5 times during 2024-2026, which is commensurate with its rating of "BBB" with a "positive" outlook.

On 28 June 2024, SAMART announced that the Supreme Administrative Court's decision and Arbitral Awards order the company to repay the principal amount of THB190 million and the interest amount of THB528.69 million to BAGOC and SAT with respect to a longstanding dispute dating back to 1997. In response to the court's decision, SAMART has deposited funds with the Civil Case Enforcement Bangkok Office 1 to settle THB190 million of the principal and THB40 million of the partial interest amount. For the remaining balance, SAMART proposes annual installment payments over seven years, which is currently under consideration by the SAT.

Additionally, the company has already set aside most of the provisions in amount of THB424 million in September 2022. As of March 2024, SAMART recorded THB438.47 million in long-term provisions for this legal settlement. The company plans to set aside approximately THB280 million for additional provisions in the second quarter of 2024, which will impact its bottom line in the first half of 2024.

In the worst-case scenario, should the company be required to pay the remaining interest amount immediately, we assess the company could manage its cash flow and liquidity to meet the payment.

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