Abbreviations and acronyms

AGM Annual General Meeting
B-BBEE Broad-Based Black Economic Empowerment
Capex Capital expenditure
CEO Chief Executive Officer
CIDB Construction Industry Development Board
CIIP Companies and Intellectual Property Commission
CMS Condition Monitoring System
CPI Consumer price index
CSI Corporate social investment
CSIR Council for Scientific and Industrial Research
DCT Durban Container Terminal
DIDPR Disabling injury frequency rate
DPE Department of Public Enterprises
EBITDA Earnings before interest, taxation, depreciation and amortisation
ED Enterprise Development
ERM Enterprise risk management
ESD Enterprise and supplier development
EVP Employee Value Proposition
FEL Front-end loading
FRMP Fraud Risk Management Programme
GDP Gross domestic product
GFB General Freight Business
GLT Group Leadership Team
GRI Global Reporting Initiative
ICAPF Integrated Capital Projects/Programme Assurance Framework
ICT Information and communications technology
IFRS International Financial Reporting Standards
IIA Institute of Internal Auditors
IR Integrated Report
ISRS Intelligent Real-time Information Services (Advanced Data Analytics and Machine Learning platform)
ISCMI Integrated Supply Chain Management
ISO International Standards Organisation
IT Information technology
King III King Report on Corporate Governance for South Africa, 2009
King IV King Report on Corporate Governance for South Africa, 2016
KPI Key performance indicator
LNG Liquid natural gas
LTI Long-term incentive
MCLI Maputo Corridor Logistics Initiatives
MDG Market Demand Strategy
Mt/Km Million tonnes per kilometre
MDI Memorandum of Incorporation
MOU Memorandum of Understanding
nt Million tons
mnta Million tons per annum
NEAP National Economically Active Population
Nersa National Energy Regulator of South Africa
NGO Non-governmental organisation
NMPP New Multi-Product Pipeline
NTK Net ton kilometres
OEM Original equipment manufacturer
PAIA Prevention of Access to Information Act
PFMA Public Finance Management Act
PPPPA Preferential Procurement Policy Framework Act
Praa Passenger Rail Agency of South Africa
PSP Private-sector partnerships
R&D Research and Development
RAMS Rail Addressable Market Share
RBCT Richards Bay Coal Terminal
RPF Request for Proposal
RMD Results Management Office
ROCE Return on capital employed
ROTA Return on total average assets
S&P Standard & Poor’s
Satwu South African Transport and Allied Workers Union
SCM Supply Chain Management
SD Supplier Development
SDOs Sustainable Developmental Outcomes
SOC State-owned company
STI Short-term incentive
TAL TransAfrica Locomotive
TEU Twenty-foot equivalent unit
TIA Transnet Internal Audit
TH Transnet International Holdings
TMPS Total Measured Procurement Spend
TSDBF Transnet Second Defined Benefit Fund
TTPF Transnet Sub-fund of the Transport Pension Fund
TVCC Transnet Value Chain Co-ordinator
UNTU United National Transport Union

Glossary of terms

Asset turnover (times)
Revenue divided by total assets (total assets excluding capital work-in-progress).

Cash interest cover (times)
Cash generated from operations after working capital changes, divided by net finance costs (net finance costs include finance costs, finance income and capitalised borrowing costs from the cash flow statement).

Debt (for gearing calculation)
Long-term borrowings, short-term borrowings, employee benefits, derivative financial liabilities plus overdraft less other short-term investments, less derivative financial assets and less cash and cash equivalents.

EBITDA
Profit/(loss) from operations before depreciation, derecognition and amortisation, impairment of assets, dividends received, post-retirement benefit obligation (costs)/income, fair value adjustments, income/(loss) from associates and net finance costs.

EBITDA margin
EBITDA expressed as a percentage of revenue.

Equity
Issued capital and reserves.

Gearing
Debt expressed as a percentage of the sum of debt and Shareholder’s equity.

Headline earnings
As defined in Circular 2/2013, issued by the South African Institute of Chartered Accountants, all items of a capital nature are separated from earnings (by headline earnings).

Operating profit
Profit/(loss) from operations after depreciation, derecognition and amortisation but before impairment of assets, dividends received, post-retirement benefit obligation (expenses)/income, fair value adjustments, income/(loss) from associates and net finance costs.

Operating profit margin
Operating profit expressed as a percentage of revenue.

Return on total average assets
Operating profit expressed as a percentage of total average assets (total average assets exclude capital work-in-progress).

Total assets
Non-current and current assets.

Total average assets
Total assets, where ‘average’ is equal to the average of the total assets at the beginning of the reporting year plus total assets at the end of the reporting year divided by two.

Total debt
Non-current and current liabilities.