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
CiPC  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
DISR  Disability injury frequency rate
DPE  Department of Public Enterprises
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
GFIB  General Freight Business
GLT  Group Leadership Team
GRI  Global Reporting Initiative
ICPAF  Integrated Capital Projects/Programme Assurance Framework
ICT  Information and communications technology
IFRS  International Financial Reporting Standards
IIA  Institute of Internal Auditors
IR  Integrated Report
IRIS  Intelligent Real-time Information Services (Advanced Data Analytics and Machine Learning platform)
ISC  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  Liquefied natural gas
LTI  Long-term incentive
MCLI  Maputo Corridor Logistics Initiatives
MDS  Market Demand Strategy
Mt/km  Million tonnes per kilometre
MOI  Memorandum of Incorporation
MOU  Memorandum of Understanding
milion ton
mtpa  Million tonnes 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
PMPA  Public Finance Management Act
PPPFA  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
RF  Request for Proposal
RMDO  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
TIH  Transnet International Holdings
TSPS  Total Measured Procurement Spend
TSDBF  Transnet Second Defined Benefit Fund
TTFPF  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 (headline earnings).

Operating profit
Profit/(loss) from operations after depreciation, derecognition and amortisation but before impairment of assets, dividends received, post-retirement benefit obligation (costs)/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 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.