AUDITED CONSOLIDATED FINANCIAL RESULTS

FOR THE YEAR ENDED
31 MARCH 2026

BUSINESS PERFORMANCE OVERVIEW

FINANCIAL PERFORMANCE OVERVIEW

COMPLIANCE - PFMA

LOOKING FORWARD

BUSINESS PERFORMANCE OVERVIEW

ADV. MICHELLE PHILLIPS

Our mandate focuses on the provision of logistics solutions and fit-for-purpose infrastructure to enable the efficient functioning of key industries in the economy

OUR MANDATE

Lower the cost of doing business in South Africa, enable economic growth and ensure security of supply through providing appropriate ports, rail and pipeline infrastructure as well as operations in a cost-effective and efficient manner, within acceptable benchmark standards

STATEMENT OF STRATEGIC INTENT ▶ 5 STRATEGIC OUTCOMES

01

Improve freight competitiveness

- Restore rail and port capacity
- Improve reliability and productivity
- Reduce logistics costs

02

Collaborate with the private sector

- Mobilise private investment
- Implement strategic PSP transactions
- Leverage private sector capital, expertise, market access and technology

03

Grow market share

- Recover lost freight volumes
- Strengthen customer-focused solutions
- Support road-to-rail migration

04

Practice good governance

- Strengthen oversight and accountability
- Improve transparency and fair access
- Maintain regulatory and policy alignment

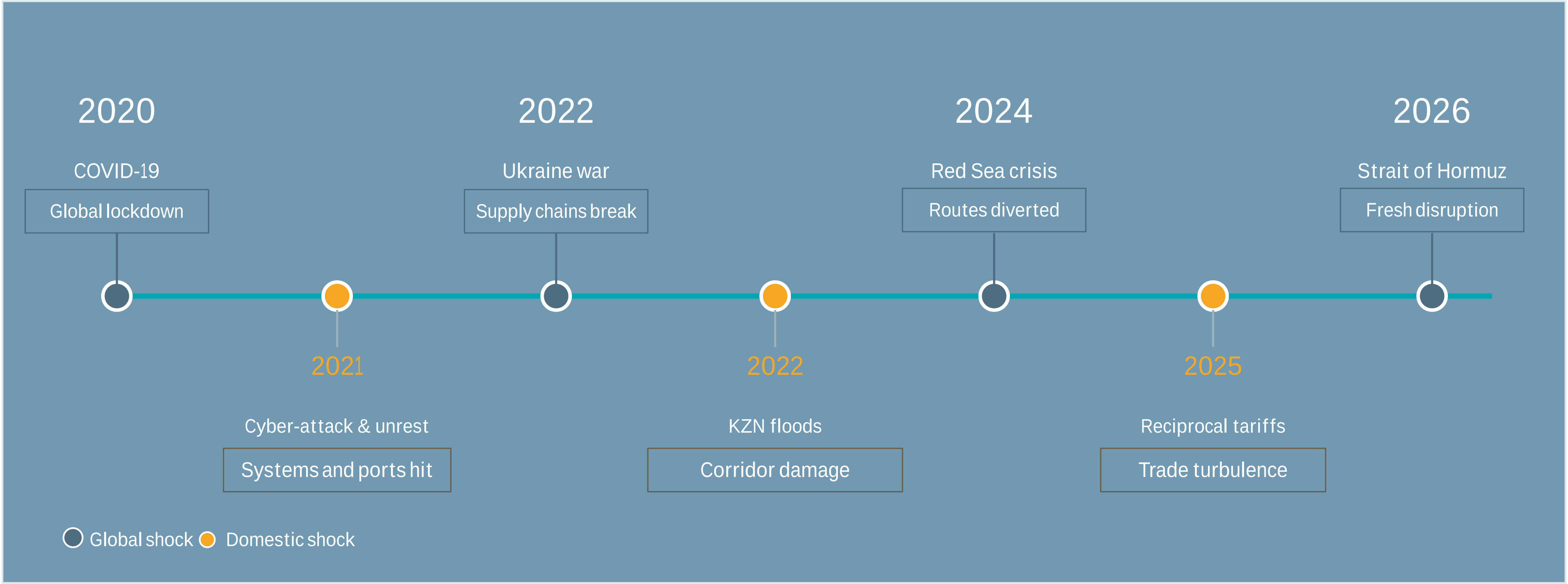
05

Financial sustainability

- Grow revenue and optimise costs
- Unlock alternative funding sources
- Eliminate national fiscus pressure

A volatile external environment repeatedly disrupted trade routes, supply chains and port operations

Six years of compounding global shocks



2020
COVID-19
Global lockdown

2021
Cyber-attack & unrest
Systems and ports hit

2022
Ukraine war
Supply chains break

2022
KZN floods
Corridor damage

2024
Red Sea crisis
Routes diverted

2025
Reciprocal tariffs
Trade turbulence

2026
Strait of Hormuz
Fresh disruption

○ Global shock ● Domestic shock

Testing Resilience

Performance is shaped by the interaction of disruption, asset condition and execution constraints, while reform and technology create new opportunities.

Operating Pressures

Ageing Equipment

Cranes and machines pushed beyond design life; spares remain on long lead times.

Security Constraints

Security incidents continue to pressure operational reliability and network performance across key freight corridors.

Cost-driven Maintenance

Reactive upkeep persists instead of planned, condition-based reliability.

OPERATING RESILIENCE

Balancing constraints with transformation

Strategic Shifts & Opportunities

Digital Transformation

Automation, predictive maintenance, data analytics and customer visibility can improve efficiency and reliability.

Energy Transition

Decarbonisation and changing energy markets create opportunities in LNG, renewable energy and green hydrogen.

Private-sector Participation

Rail liberalisation, third-party access, TNPA corporatisation and private participation are reshaping the sector.

We navigated a complex operating environment with a focus on resilience, growth and sustainable value creation for stakeholders.

To remain competitive, Transnet must improve operational performance, enable third party access onto the rail network and reposition itself as an efficient infrastructure and logistics partner of choice

Competition and new players

- Introduction of new role players
- Enhanced competition
- Opportunities for Historically Disadvantaged Individuals market participation

Industry investment and collaboration

- Private sector investment
- Skills & tech investment
- Industry-private collaboration
- Modal integration
- Best practices & logistics rankings

Rejuvenation of South African logistics

Increased oversight / transparency

- Increased regulatory oversight
- Transparent and fair pricing with dispute resolution mechanisms
- Greater accountability by logistics companies to their stakeholders

Sector institutional model

- Reduction in monopoly power
- Separation based on nature of institutions (operations and network companies)
- Optimised funding model

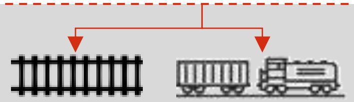
Increased rail transport efficiency through modernised and expanded rail infrastructure (freight and passenger)

Shift of freight from road to rail

Reduced overall logistics costs and enhanced global competitiveness

Improved logistics value chain efficiency, customer service and modal choices

Reforms are unprecedented and are fundamentally reshaping Transnet's operating model, requiring a shift from a vertically integrated entity (rail) to a competitive, open access-based logistics provider and partner

National Rail Policy (NRP)	Freight Logistics Roadmap	Economic Regulation of Transport Act	Ports Act*	National Treasury Guarantee Framework Conditions**
Separate rail infrastructure from rail operations	Improve rail infrastructure and expand network capacity	Comply with regulatory framework of the TER	Establish independent Board of Directors	Implement Board-approved Turnaround/ Recovery Plan
	Strengthen integration of land transport	Regulated & transparent pricing to prevent monopolistic practices	Corporatise the National Ports Authority	Establish a Rail Infrastructure Manager
Establish a Rail Infrastructure Manager	Road to rail shift: promote rail as sustainable transport mode	Non-discriminatory access to rail infrastructure	Expanded participation of private sector in the port environment	Develop a Network Statement and Code of Conduct
Access for private TOCs, introducing competition	Attract PSPs and investment	Efficient handling of disputes for access, pricing and services		Dispose of non-core properties
Concessions and PSPs in the rail market	Improve operational efficiencies and leverage technology	Facilitate PSPs and promote competition		Establish a rolling stock leasing company
				Crowd-in private sector investment

⬚ Key reform drivers

Policy reforms aim to…

Modernise infrastructure + Improve operational efficiency + Increase capacity + Promote sustainable practices + Drive sustainable growth

The logistics environment is being fundamentally reshaped

REFORM & LIBERALISATION

- Rail liberalisation and third-party access
- Separation of infrastructure and train operations
- TNPA corporatisation

COMPETITION & PARTNERSHIPS

- New market participants and increased competition
- Expanded private sector participation

A more open, competitive and investment-enabled logistics market

OPERATIONAL RESILIENCE

- Ageing infrastructure and maintenance backlogs
- Theft, vandalism and security constraints

FUTURE-FIT LOGISTICS

- Digital transformation and data-led operations
- Energy transition and climate resilience

Transnet must remain operationally reliable while adapting its structure, operating model and value proposition

Our Business : Transnet **is the custodian of South Africa's core logistics** network and a key driver of national competitiveness

Human Capital

49,995
Head count

Asset Base

R375,3bn

Network Base

30,400 km
Railway Track

3,114 km
multi-product
pipeline

Fleet Base

1,822 active
locomotives

69,241 active
wagons

Cargo Terminals

8 Commercial
Ports

16 Cargo
terminals

Engineering

132 depots

11 engineering
yards

6 rail and port
facilities

Investment Property

R36,7bn
commercial and
residential
Investment

Property portfolio

Transnet's focus is progressing from recovery to transformation and growth

Fix and optimise the business

Recovery

Optimisation and enhancement

- Stabilise the operational base
- Restore volume growth
- Improve asset reliability and execution discipline
- Protect revenue and reduce costs

Tactical Recovery has been embedded across the business

Efforts to recover & restore capacity are accelerating reflected by improve

Transform the business

Transformative

Executed in parallel

Alignment to policy and segments

- Implement structural reforms aligned to policy
- Establish Infrastructure Manager and enable open access
- Redesign operating model, governance and segment approach
- Strengthen PSP capability and organisational readiness

Transform the organisation

- **Transform** parts of the **business** to meet **sustainable future growth** requirements

Grow the business

Expansionary

Strategic collaboration

- Unlock corridor capacity
- Expand customer-led segment solutions
- Leverage private-sector partnerships across the value chain
- Build commercially sustainable growth

"Enable effective delivery of overarching programmes to drive the repositioning of the business"

Along this journey Transnet continues to implement the Reinvention for Growth strategy

Transnet Recovery had to balance the unique characteristics of its operating environment:

- Needed to meet existing customer requirements for quality services
- Continued socio-economic contribution to the broader economy
- Alignment to changing policy environment that is liberalizing the rail industry (National Rail Policy of March 2022 and Economic Regulation of Transport Bill 2022)
- Limited availability of shareholder capital to support repositioning of organisation

Two-Pronged Approach

1

Optimisation and enhancement

- Deep focus on recovery of volumes from key operations across operating divisions through implementation of short-term tactical initiatives
- Improved execution of the segment strategy approach to drive commercial returns and improve customer responsiveness across operations

2.1

Transformation of organisation

- Transform the organisation to align with policy and regulation changes as outlined by the Rail Policy and other policy
- Reposition organisation to meet the requirement for sustainable growth in the future

2.2

Alignment to growth ambitions outline in freight logistics Roadmap

- Transnet also aligned to growth orientated reforms and recommendations noted in the freight logistics roadmap
- In line, Transnet will collaborate with private sector to crowd-in private partners and leverage skills, expertise and capital

Transnet is complying with the required structural reforms as prescribed by the Freight Logistics Roadmap to improve South Africa's competitiveness

RAIL STRUCTURAL REFORM

Market design and institutional separation

Requirement	Status	Latest Position
Independent Rail Infrastructure Manager	🟢	Vertical separation of infrastructure and operations completed, October 2024
TRIM corporatised with own Board	🟡	Corporatisation and Board establishment remain work in progress
Open-access rail regime	🟢	11 train operating companies introduced, May 2026
Network Statement	🟢	Draft Network Statement (Version 4) released for public consultation, July 2026

PORT STRUCTURAL REFORM

Governance and legal separation

Requirement	Status	Latest Position
TNPA Board appointed	🟢	Board appointed, October 2023
TNPA corporatisation	🟡	Corporatisation remains work in progress

PRIVATE SECTOR PARTICIPATION PIPELINE

Transactions required to mobilise capital, capacity and operating expertise

Transaction	Status	Latest Position	Transaction	Status	Latest Position
DCT Pier 2	🟢	Durban Gateway Terminal operating since January 2026	**Ngqura Manganese Export Terminal**	🟡	RFQ release is imminent
NCT	🟡	Business case initiated	**Coal Corridor**	🟡	Transaction advisory services advertised
Richards Bay LNG Terminal	🟢	Concession awarded to Zululand Energy Terminal, January 2024	**Iron Ore Corridor**	🟡	Transaction advisory services advertised
Richards Bay Dry Bulk Terminal	🟡	RFQ closed August 2026; RFP to follow	**Rolling Stock LeaseCo**	🟡	Shortlisting complete; RFP being finalised
Container Corridor	🟡	RFP being developed	**Branch lines**	🟡	RFI issued August 2026; closes end September 2026

🟢 Completed 🟡 Work in progress

EXECUTION PRIORITY

Complete TRIM and TNPA corporatisation, then convert the eight ongoing PSP initiatives into bankable, competitively procured transactions

Transnet property disposal programme aimed to unlock value from non-core assets and strengthen financial sustainability

Location	#id	Property Description	Asset Type
Eastern Cape	1	Humewood Vacant Land	Vacant Land
	2	Humewood Office Block	Office
	3	Humewood Retail Block	Retail
	4	Mount Frere Shopping Centre	Retail
	5	Arcadia Park	Industrial
Free State	6	Bloemfontein (Golf Course & Club House)	Specialised
Gauteng	7	Avion Park (Golf Course)	Specialised
	8	Carlton Centre	Mixed-Use
KwaZulu-Natal	9	Durban Station Precinct (Greyville)	Industrial
	10	Umlazi Mall Megacity	Retail
	11	Oribi Plaza	Retail
Limpopo	12	Messina Superspar	Retail
Western Cape	13	Cape Town Site 9 (Motor Dealership)	Specialised
	14	Willow Bridge (Kenridge)	Retail
	15	Foreshore Precinct Roggebaai	Mixed-Use
	16	Belville Marshalling Yard	Mixed-Use

Competitive Disposal Process for 16 Non-Core Properties

Out to Market

- Launch of properties through transparent and competitive process
- Provide bidders information and transaction requirements

Bid Submission and Evaluation

- Receive and evaluate bids against the approved technical and commercial criteria
- Assess bidder capability, proof of funding, proposed use etc

Appointment of Preferred Bidder

- Obtain required governance approvals and appoint preferred bidders.
- Finalise agreements and progress transactions toward financial and legal close

Despite legacy challenges, Transnet has achieved several successes since the start of the Recovery Journey …

Achievements

Stakeholders Collaboration	Original equipment manufacturers (OEMs)	Agreements, sourcing parts and equipment, rolling stock stabilisation
	Customers	Joint planning and execution, funding models, customer interventions, relationships strengthening
	National Logistics Criss Committee (NLCC)	Active engagement, debottlenecking, co-ordination
Management Initiatives & Compliance to National Rail Policy	Volume decline reversal	Freight volume recovery
	Establishment of Transnet Rail Infrastructure Manager	Policy prescript (vertical separation of the rail business) Rail access regime that is transparent and resilient Network Statement approved
	Key port equipment delivery	Tugboats, haulers, gantries, straddle carriers, dredgers, cranes
Other achievements	Mobilising capital and partnerships to unlock infrastructure and capacity	Loans and structured deals
	Stabilising operations through targeted security and fleet interventions	Outcome-based security strategy, LNG terminal agreement, Durban Multi Purpose Terminal performance improvement, Rolling Stock Leasing Company establishment
	Implementing reforms to drive long-term efficiency and competitiveness	

The BFI portfolio comprises nine strategic projects valued at R43.49bn. Four projects worth R16.04bn have been approved.

WAVE 1 APPROVED
4 Projects
R16.04bn

WAVE 2A SCREENING
3 Projects
R16.85bn

WAVE 2B DEVELOPMENT
2 Projects
R10.60bn

TOTAL BFI REQUESTED
R43.49bn
9 Strategic Rail and Port Infrastructure Projects

Wave 1 | Approved

Iron Ore Corridor Restoration	R3.37bn
Coal North Corridor Restoration	R6.77bn
DCT Pier 2 Berth Deepening	R4.60bn
Cape Town Container Terminal	R1.30bn
Total	R16.04bn

Wave 2a | Screening

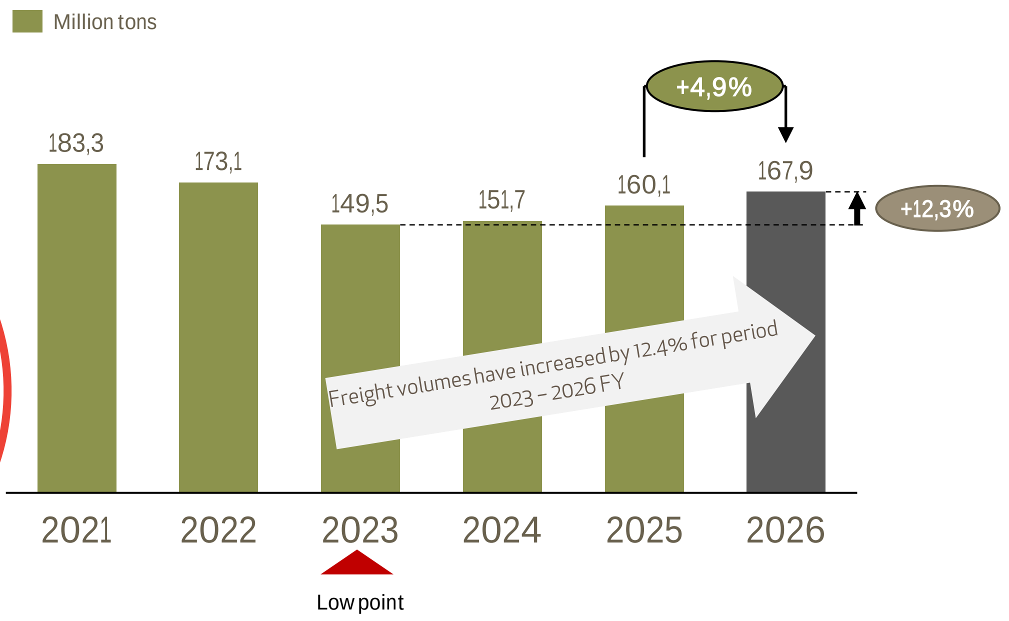
Central Corridor Reinstatement	R5.99bn
Cape Corridor Reinstatement	R8.66bn
Richards Bay LNG Berth 207	R2.20bn
Total	R16.85bn

Wave 2b | Development

Container Corridor Reinstatement	R7.10bn
Northeast Corridor Reinstatement	R3.50bn
Total	R10.60bn

Reinvention for Growth has continued to build on the volume growth momentum generated from the recovery phase

Transnet Annual Freight Volumes from 2021 – 2026 FY



167.9mt

2025/26 rail volumes

+4.9%

18.4mt recovered

Since the 2002/23 low point of 149.5mt

EXPORT IRON ORE

52.8mt

EXPORT COAL

58.5mt

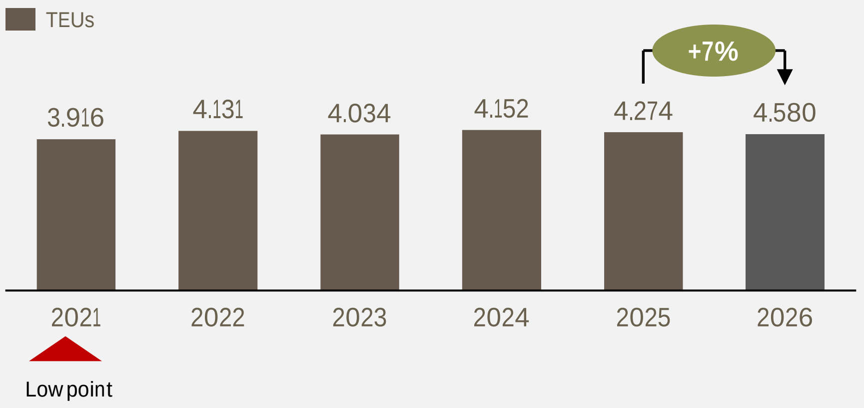
GENERAL FREIGHT

56.6mt

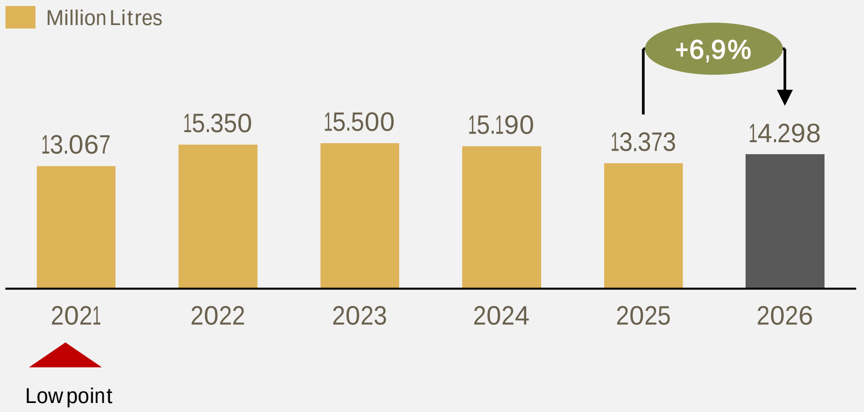
The long-term decline in rail volumes has been arrested. Sustained growth will continue as investment in infrastructure and production equipment continues resulting in rolling stock availability and corridor-level execution

Similarly, port and pipeline operations are showing stronger volume growth momentum

Transnet Annual Container Volumes from 2021 – 2026 FY



Transnet Annual Pipeline Volumes from 2021 – 2026 FY



Container Volumes Handled

4.580 million TEUs

Reported container volumes

- Weekly performance above 90,000 TEUs
- Several weeks above 100,000 TEUS
- More than 14 operational records in six months

Pipelines

14,298 million litres

Petroleum volumes

- 6.9% year-on-year

Reported container volumes exclude DGT volumes from January to March 2026. Including these volumes would have reflected a 9.6% year-on-year increase.

OPERATIONAL ENABLERS

1. New ship-to-shore cranes and handling equipment
2. Improved maintenance and critical spares availability
3. Reduced vessel backlogs and improved berth availability at Durban

ESG Outcomes

Environmental stewardship

- Carbon footprint (MtCO2e):
  Scope 1: 0,55 (2025: 0,52)
  Scope 2: 2,31 (2025: 2,2)
  Scope 3: 1,48 (2025: 0,53)
  32.3% increase in total carbon emissions
- Energy Efficiency (tonne/GJ):marginal 0,8% decline
  2026: 20,73 (2025:20,89)
- Environmental legal contraventions :
  4 non-compliance notices and directives received (2025:10)
- Environmental incidents reported: 17 (2025:26)
- Air quality complaints:
  35 (2025:27)

Health and safety

- LTIFR: 0,73 (2025:0,77) against tolerance of 0,75
- **LTI's:** 449 injuries (2025:500).
- 2 employees suffered fatal injuries (2025:7)

Employment equity & Transformation

- Total workforce :
  49 995
- Black employees:
  94,5% of total headcount (target 92%)
- Women at Executive level: 40,7%
- People with disabilities 2,2% of employees
- Total Training spend is R947m, which is 2,7% of labour cost

Building Industrial capability through transformative spend on B-BEEE

- Total B-BBEE spend: R44,73 billion
- Black-owned enterprises spend: R14 billion
- Black women-owned enterprises spend: R9billion of the 14 billion of black-owned enterprises
- Exempted Micro enterprises (EME) spend: R5,93 billion
- Qualifying small enterprises (QSE) spend: R5,22 billion
- Black youth enterprises spend: R3,19 billion

- B-BBEE spend as a % of the Total Measured Procurement Spend (TMPS): **115,26%** (2025: 105,65%)
- 62,68% of **TMPS (R 23,33 bilion)** directed towards Black-owned Businesses (2025:58,75%)
- B-BBEE Certification Level of 2

Fraud risk management: reporting, investigations & response

A zero-tolerance framework combining confidential reporting, structured investigations and consequence management.

316
whistleblowing reports
FY2025/26 | 496 in FY2024/25

58.2%
submitted anonymously
Independent reporting channels

209
active investigations
66.1% of reported matters

54
investigation outcomes
25 substantiated | 29 unfounded

HOW THE FRAMEWORK WORKS

1	Report	Hotline, SMS, online platform and management channels; anonymous reporting supported.
2	Investigate	Formal case management, evidence gathering, case tracking and outcome determination.
3	Respond	Disciplinary action, control improvements and external escalation where required.

- Governance is anchored in a zero-tolerance stance on fraud, bribery and corruption.
- The high active caseload reflects the complexity and thoroughness of investigations.
- Investigation outcomes feed directly into consequence management and control remediation.
- Fraud awareness is reinforced through Fraud Awareness Week; a formal ethics communication strategy is being developed.

Management focus: close the investigation backlog while sustaining reporting confidence, consequence management and preventive control improvements.

Theft and vandalism incidents affect Transnet bottom line and undermine Performance

5 870

Recorded incidents ↓

5 967 in FY2024/25

7%

Estimated Loss

>R1.7 bn

Operating Divisions	Incidents	Prior Year	% Reduction
Freight Rail & TRIM	5 657	5 967	5%
Engineering	143	217	34%
Port Terminals	20	35	43%
National Port Authority	17	77	78%
Pipelines	13	13	0%
Property	20	36	44%

Commentary:

- Security incidents directly **impact operational efficiency and financial performance**, underscoring the need for **continuous monitoring and targeted interventions**.
- In 2025/26FY, Transnet recorded a **7%** decline in security incidents compare to previous year. Freight Rail and TRIM **accounted for over 96%,** with notable improvements seen in Engineering.
- Stronger **collaboration with SAPS** and apprehension of 800 suspects demonstrate improved response capability
- Copper cable theft remains the most prevalent and damaging crime, often involving infrastructure destruction and environmental hazards.
- Ongoing monitoring is essential as these incidents continue to impact business performance.

FINANCIAL PERFORMANCE OVERVIEW

MS. NOSIPHO MAPHUMULO

TRANSNET

Financial performance summary 31 March 2026 : Overall : Improved financial performance owing to the implementation of the reinvent for growth strategy

Financial performance

Rail volumes ▲
167,9mt 4,9%

Pipeline Volumes ▲
14 298 ml 6,9%

Revenue ▲
R88,6 bn 7,1%

EBITDA ▲
R30,9 bn 0,7%

Profit ▲
R4,6 bn 344%

* Gearing ▼
49,4 % 0,2%

* Cash Interest Cover ▼
1,5 times 0,3

* EBITDA Margin ▼
34,8% -2,2%

Financial Position

Total Assets ▲
R375,3 bn 2,3%

Capital investment ▼
R23,3 bn -2,9%

Cash balance ▲
R11,9 bn 19,5%

* Year on year absolute difference

Financial performance highlights 31 March 2026

Volumes

Rail volumes achieved for the year were **167,9mt** (2025: 160,1mt) reflecting a **4,9% increase** compared to prior year. Pipeline volumes increased by 6,9% to **14,29 bl** (2025: 13,37bl)

Revenue

As a result of an increase in rail and pipeline volumes and additional infrastructure investment, the **revenue generated** for the year is **R88,6** billion (2025: R82,7 billion), which **is 7,1%** higher than the prior year.

EBITDA

Reported **EBITDA** is **R30,9 billion** for the year (2025: R30,6 billion) **which is 0,7 % higher** than the prior year

Profit for the year

Reported **profit** for the year is **R4,6 billion** compared to a prior year loss of R1,9 billion reflecting a 344% increase a **significant improvement** compared to prior year.

Private Sector Participation Strategy - DCT Pier 2

Profit on sale of subsidiary and income from associates of **R12,5 billion**

Capital investment

Capital expenditure amounted to R23,3 billion in 2026 (2025: R24,0 billion), there is an increased focus on infrastructure and production equipment investment to enable volume delivery

Abridged statement of financial performance 31 March 2026

KEY FINANCIAL INDICATOR (Rm)	2026	2025	Variance
Revenue	88 560	82 691	↑
Net operating expenses	(57 700)	(52 060)	↑
EBITDA	30 860	30 631	↑
Depreciation, derecognition and amortisation	(21 759)	(19 085)	↑
Profit on sale of interest in subsidiary	12 500	-	↑
Impairment of assets	(1 336)	(823)	↑
Fair value adjustment	(152)	1 755	↓
Post-retirement benefit obligation expense	(162)	(163)	↓
Income from associates and joint ventures	87	2	↑
Net finance costs	(15 774)	(14 712)	↑
Tax	383	489	↓
Profit/(loss) for the year	4 647	(1 906)	↑

Revenue increase of **7,1%** is due to:

- Improvements in rail and petroleum volumes, and
- Weighted average tariff increases

Net operating expenses increase of 10,8% is due to increases in personnel cost, maintenance, security costs and the 3rd party claim net reversal in the prior year

Depreciation increased in line with the capital expenditure

`

Profit on sale of interest in subsidiary is due to the sale of shares Durban Gateway Terminal (DGT) 49,99%.

Impairment of assets

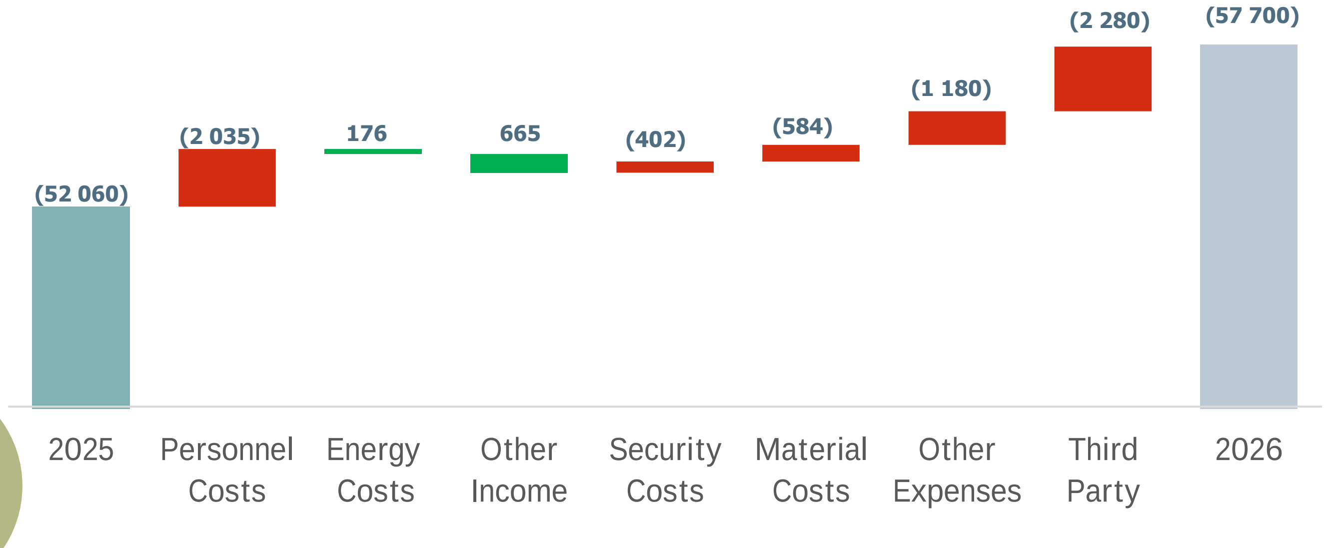
Rail infrastructure related impairment, TM1tanks and index valuation of port infrastructure and property debtors' impairment

Fair value adjustments are related to the movement in investment property fair value gain, movements in financial instruments

This resulted in a **profit** for the year of **R4,6bn (2025: loss of R1,9bn).**

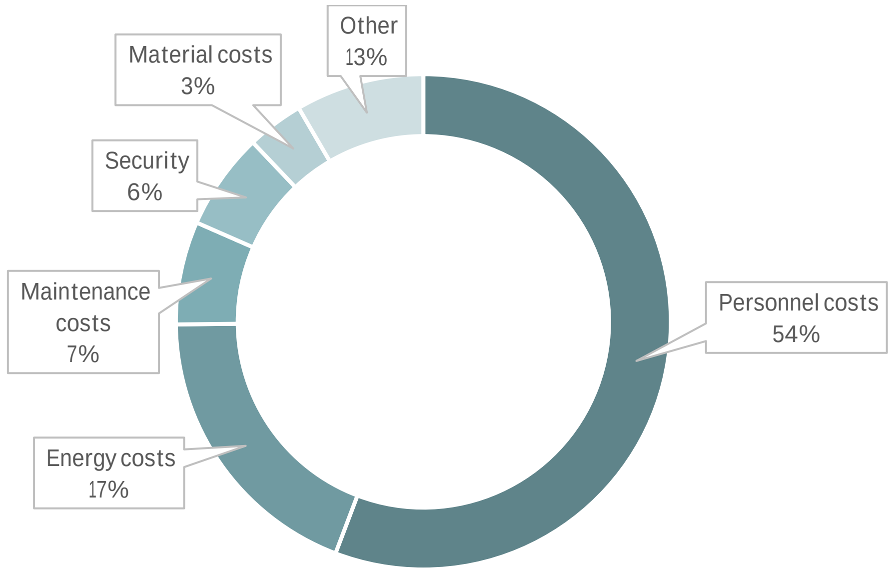
Net operating expenses detail 31 March 2026 (actual vs prior year)

Net operating expenditure increased by 10,8% year-on-year

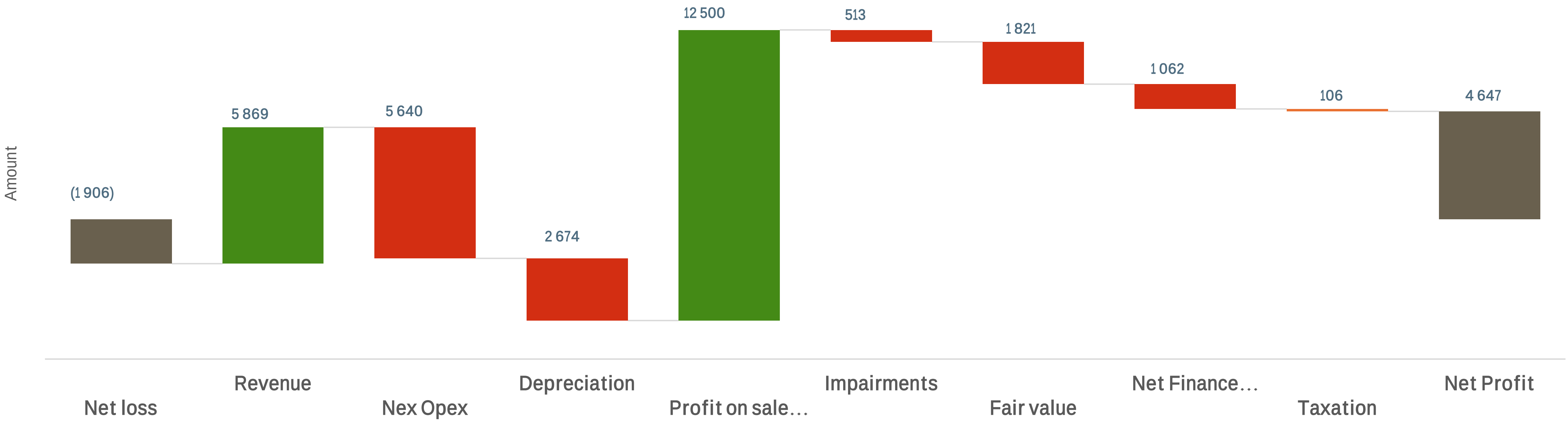


- Personnel costs (salary and wage increases) increased by 7,0%
- Other income increased by 48.7%, mainly made up of income relating to the Nedbank swaps settlement income, insurance recoveries, scrap income, lease recoveries, and Prasa recoveries.
- Security costs increased by 12,2% in response to an effort to combat theft and safety incidents;
- Maintenance & material costs increased by 10,8% in line with increased activity;
- Other expenses increased by 14,9% due mainly to an increase in the decommissioning liability provision, environmental management costs, as well as fines and penalties, insurance, water and managerial and technical consulting fees.
- Third party claims: due mainly to Natref third party claim provision reversal in the prior year.

Contribution by cost element %



Profit Analysis



Movements:

- 7,1% improvement in revenue generated.
- Net operational costs increased by 10,8%.
- 14,0% increase in depreciation & amort in line with capital expenditure.
- Impairments on PPE and debtors.
- Increase in net finance costs in line with additional borrowings.
- Profit on sale of DGT.

Consolidated statement of Financial Position as 31 March 2026

R million	2026	2025	Variance
Non-current assets	347 132	339 813	↑
Current assets	28 146	27 054	↑
Total assets	375 278	366 867	↑
Capital and reserves	142 469	134 349	↑
Non-current liabilities*	167 858	140 240	↑
Current liabilities*	64 951	92 278	↓
Total equity and liabilities	375 278	366 867	↑

**Includes the impact of the 31 March 2026 CIC loan covenant breach, which resulted in R21,0 billion (2025 R31.4) of long-term debt being reclassified to short-term borrowings. Transnet secured waivers from all the lenders affected by the covenant breach, with all matters appropriately closed.*

Non-current assets: R7,3 bn increase due to

- Investment in associate R5,4 bn -DGT associate
- Investment property R4,4 bn , transfer from PPE due to DGT impact and fair value increase
- Partially offset by R2.3 bn derivative financial assets, cross-currency swaps,

Current assets: R1,1 bn increase due to net proceeds from disposal of subsidiary

Capital and reserves: R8,1 bn increase due to

- Revaluation impact of R3,5 bn
- Profit for the year of R4,6 bn

Non-current liabilities: R27,6 bn increase due to

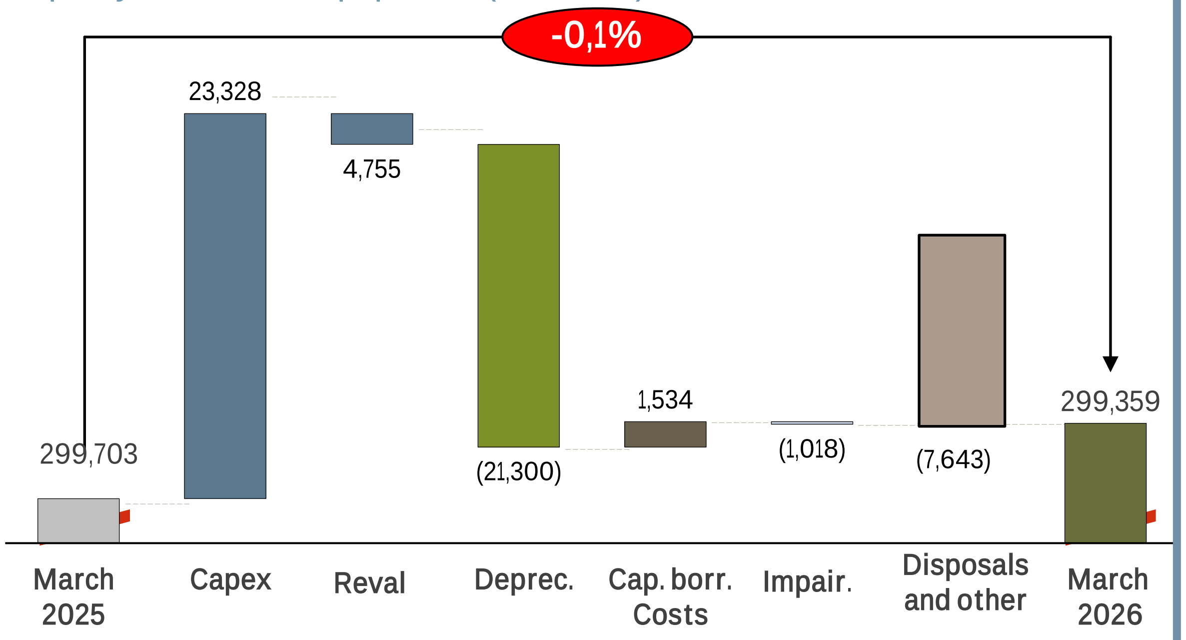
- Borrowing raised of R25,6 bn
- Deferred tax increase of R649m

Current liabilities: R27,3 bn decrease due to

- Net borrowing repayments of R19,7 bn
- Reduction in payables and accruals of R7,7 bn

Increased focus on capital investment to improve operational sustainability

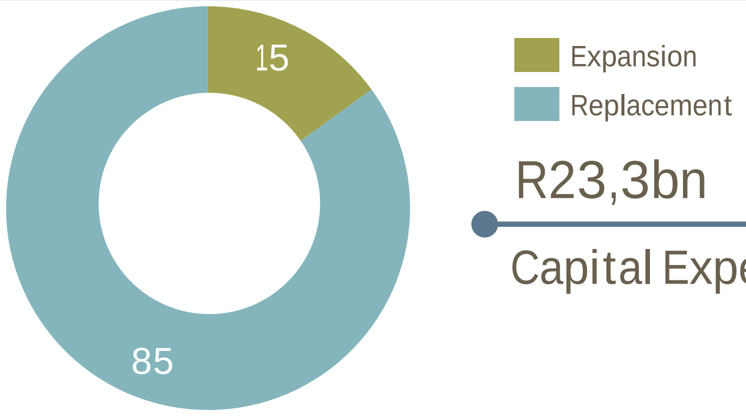
Property Plant And Equipment (R Million)



Capital Investment By Operating Segment (%)

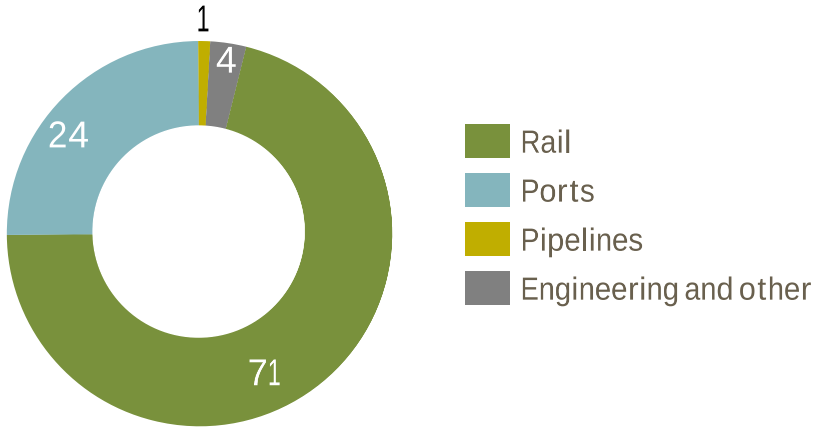
- Disposals include
  - Sale of DGT PPE of **R3,1 billion**,
  - Transfers to investment property of **R4,0 billion, impairment** and other disposals and transfers of **R0,5 billion**.
- The revaluation adjustment of R4,755 million is made up as follows:
  - Land: **R3,948 million**;
  - Port facilities: **R643 million** revaluation; and
  - Pipelines: **R228 million** revaluation; partially offset by Rail infrastructure: **R64 million** devaluation.

Expansion Vs Replacement (%)



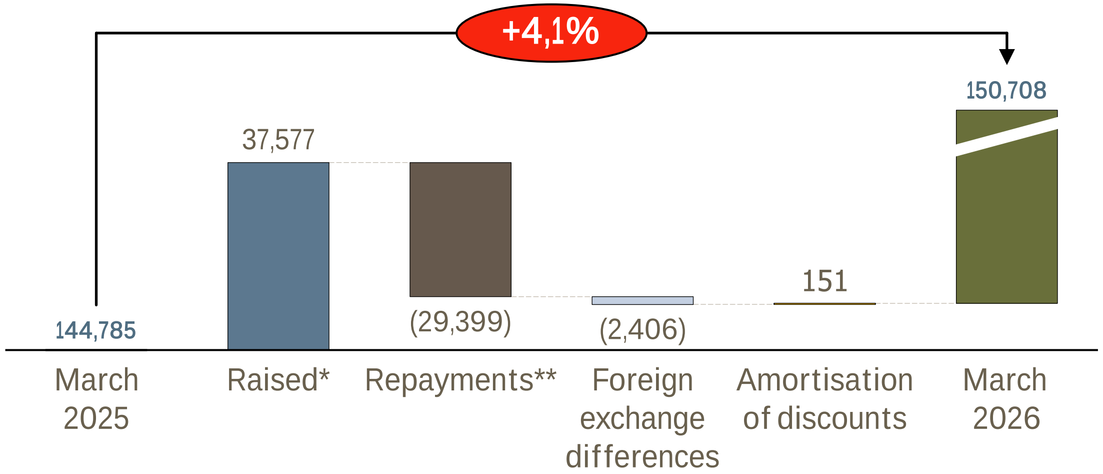
R23,3bn

Capital Expenditure



Borrowings and gearing

Borrowings reconciliation (R million)

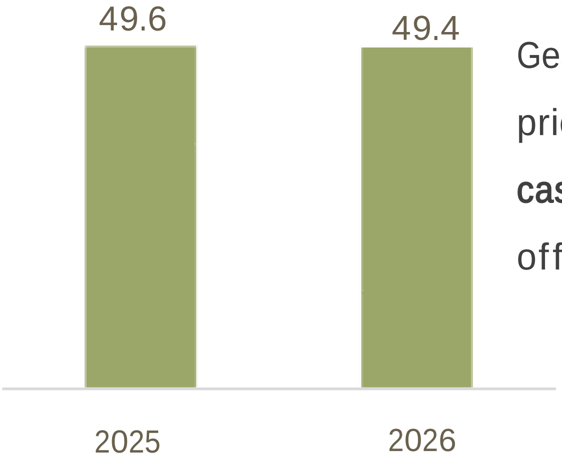


** Includes lease liabilities and borrowing fees.*
*** Includes lease liabilities.*

Borrowings raised for the year included R4 billion from AFDB, R4,3 billion from Deutsche Bank, R4,85 billion of commercial paper, R20 billion in bonds, R2,75 billion from NDB and R713 million from IDC.

The South African Government has guaranteed borrowings amounting to R70.2 billion, representing 46.6% of total borrowings.

Gearing (%)



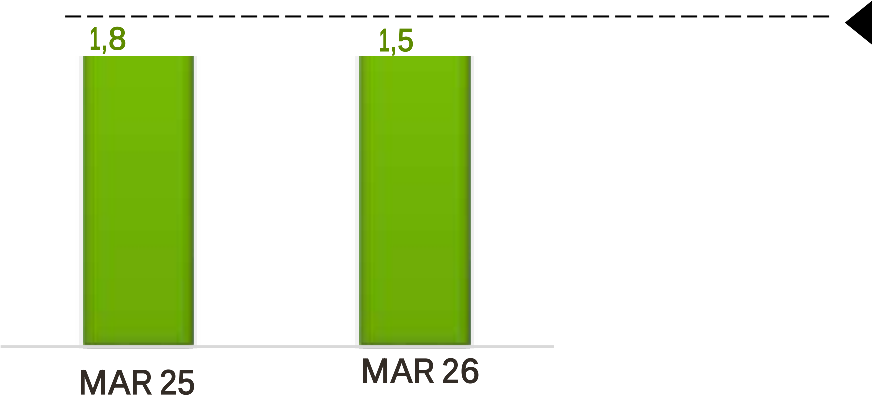
Gearing has **improved** slightly from the prior year, due mainly to the **increase in cash** and **the profit** for the year, partially offset by the increase in borrowings.

Credit Ratings	**Moody's**	**S&P Global**
Foreign currency	Ba3/Stable Outlook	B+/ Stable Outlook
Local currency	Ba3/Stable Outlook	B+/ Stable Outlook
BCA/SACP	caa1	ccc+

Statement of cashflow 31 March 2026

Key Financial Indicator (Rm)	2026 R'm	2025 R'm
Cash flow from operating activities	8 499	13 761
Cash flow utilised in investing activities	(13 601)	(24 818)
Cash flow from financing activities	7 051	7 165
Net increase/(decrease) in cash and cash equivalents	1 949	(3 892)
Cash and cash equivalents at the beginning of the year	9 992	13 884
Cash and cash equivalents at the end of the year	11 941	9 992

Cash interest cover (times)



loan covenants minimum 2 & 2,5

** Cash interest cover including changes in working capital.*
^ Absolute variance.

CIC is below prior year due mainly to the Sasol and Total Energies claims and take or pay penalties settlement and the higher net finance costs.

Cash flow from operating activities is below prior year due to:

- The higher outflow from changes in working capital (trade payables payments, including the settlement of the Sasol and TotalEnergies claims and take or pay penalties),
- Higher finance costs, derivatives settled and tax paid;
- Offset by the higher cash generated from operations in line with increased volumes across the business.

Cash flow utilised in investing activities is below prior year due to:

- The cash injection from the disposal of interest in DGT; and
- Lower capital expenditure compared to prior year.

Cash flow from financing activities is slightly below prior year due to

- Higher borrowing payments (bonds and bank loans),
- Off-set partially offset by higher borrowings raised

Conclusion : The FY 2026 Financial performance marked a defining milestone in Transnet recovery trajectory …

Operational stabilisation

Rail volumes and port performance improved owing to re-invent for growth strategy

Financial position strengthening

- Volume improvements resulting in improved revenue performance.This resulted in revenue increase of 7.1%
- Cost reduction continues to be a focus area
- Transnet reported a profit of R4.6bn for the year compared to a loss R1,9bn in 2025.

Even though high debt levels and high cost of debt remains a challenge, there is a focus and strategy to **reduce debt and the cost of debt** over the next five years in effort to improve **financial sustainability**

Asset Disposal

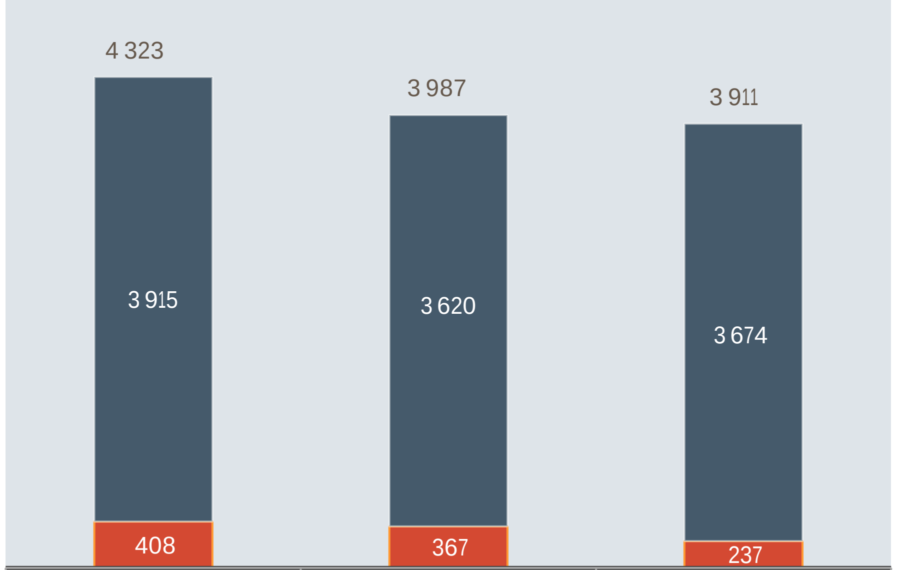
- DCT Pier 2 PSP implement in the year under review
- Transnet continues to leveraging alternative funding mechanism and partnerships

Capital Expenditure

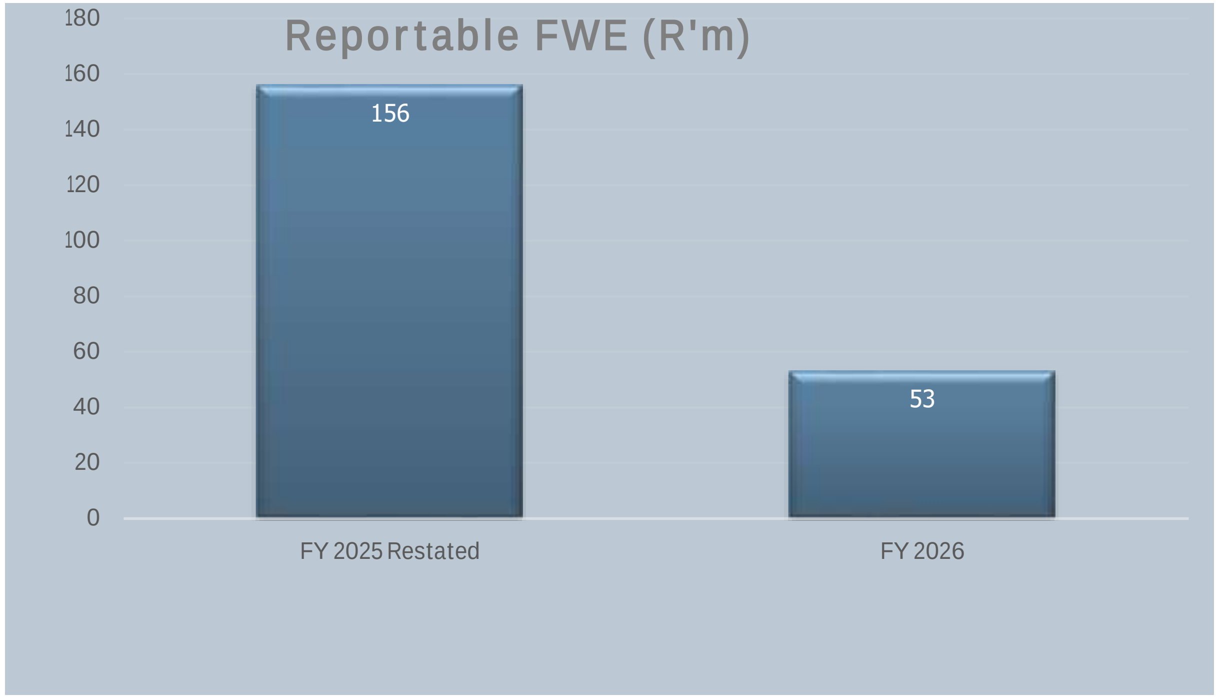
- Financial sustainability remains essential to funding infrastructure renewal, to enable volume delivery
- Transnet spend of R23.3 bn is key in achieving future revenue growth,

COMPLIANCE - PFMA

PFMA: Summary of reported IFWE



	FY 24	FY25	FY26
■ Multi year IE	3,915	3,620	3,674
🟥 New IE	408	367	237



The graph on the left illustrates the status of reported PFMA Irregular Expenditure (IE) non-compliances over the past three financial years. The reported IE shows a decreasing trend, declining from R4.3 billion in FY2023/24 to R3.9 billion in FY2025/26.

The graph on the right illustrates the status of reported PFMA Fruitless and Wasteful Expenditure (FWE) non-compliances over the past two financial years. Reported FWE decreased significantly from R156 million (restated) in FY2024/25 to R53 million in FY2025/26.

BUSINESS PERFORMANCE OVERVIEW

FINANCIAL PERFORMANCE OVERVIEW

COMPLIANCE - PFMA

LOOKING FORWARD

LOOKING FORWARD

ADV. MICHELLE PHILLIPS

Tactical recovery has created a more stable operational platform

Asset Reliability

- Planned maintenance shutdowns
- Better rolling-stock deployment
- New port equipment and critical spares

Integrated Operations

- Closer coordination of maintenance and train operations
- Integrated marine, terminal, rail and landside planning

Corridor Execution

- Stronger corridor-level discipline
- Better use of available assets and network capacity

Customer Collaboration

- Joint planning with customers
- Closer cooperation with industry partners

A MORE STABLE OPERATIONAL PLATFORM

• Improved reliability • More consistent service • Volume recovery

A sequenced PSP portfolio is moving priority projects towards execution

WAVE 1

Priority execution

- ✓ DCT Pier 2 – Operational since January 2026
- 🟡 LeaseCo – Procurement
- 🔵 Container Corridor PSP – Structuring
- 🟡 Ngqura Manganese Export Corridor – Procurement
- 🟡 Richards Bay Dry Bulk Terminal – Procurement
- 🔵 Fibre optic PSP – Structuring

WAVE 2

Next pipeline

- 🔵 Rail fueling facilities
- 🔵 Yards and depots
- 🔵 Agricultural and multi-purpose terminals
- 🔵 Gas pipelines, jet-fuel pipeline and storage infrastructure

WAVE 3

Strategic collaboration

- 🔵 Iron Ore Corridor collaboration
- 🔵 Coal Corridor collaboration

✓ Operational / implementation 🟡 Procurement 🔵 Feasibility / structuring

Sequencing focuses delivery on projects closest to market while preparing the next growth opportunities

LOOKING FORWARD

Approx. R129bn in capital investments prioritizing asset reliability and capacity creation will be deployed over the next 5 years

R115.9bn | 89.8%

Sustaining Capital

- Renew and rehabilitate assets
- Address maintenance backlogs
- Protect reliability and existing volumes

R129.1bn

FIVE-YEAR CAPITAL PROGRAMME

R13.1bn | 10.2%

Expansion Capital

- Unlock targeted capacity
- Support strategic commodities
- Enable sustainable growth

R23.3bn
invested in 2025/26

Rail

Permanent way, locomotives and wagons

Ports

Facilities and end-of-life handling equipment
Marine

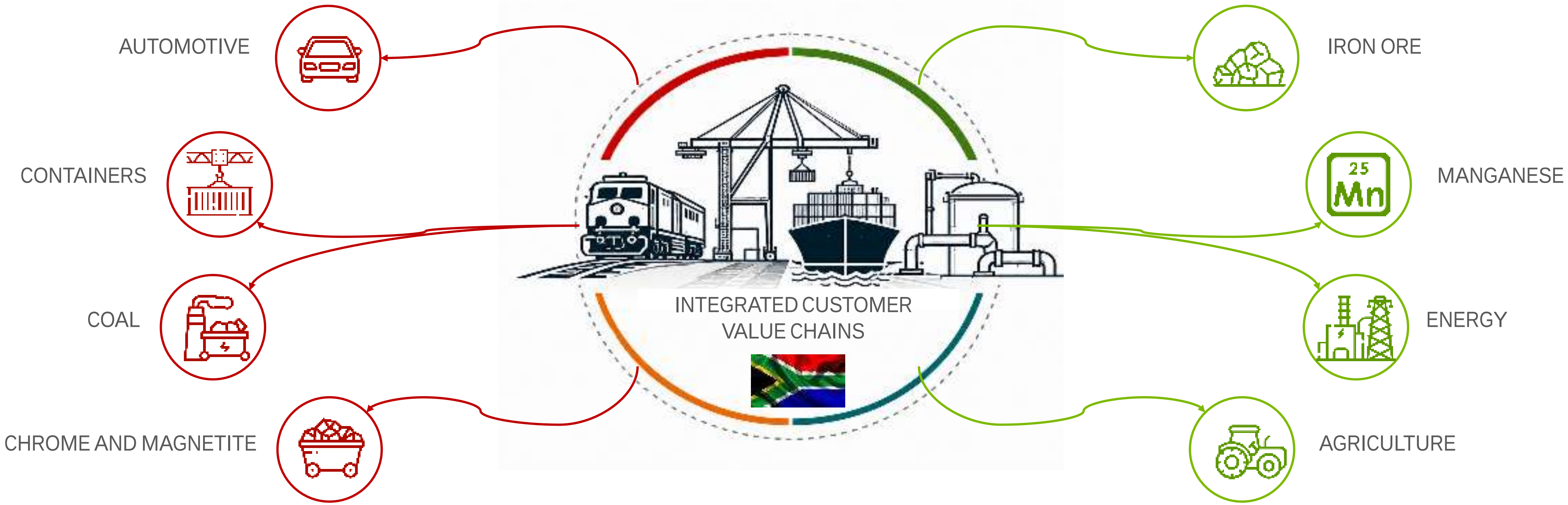
Energy Infrastructure

Pipelines, terminals and storage assets

Investment is focused on renewing core infrastructure, improving reliability and enabling sustainable volume growth

Growth is being organised around enabling higher efficiencies across key customer value chains which will improve competitiveness of SA Inc

Eight priority market segments are central to South Africa's growth and competitiveness



AUTOMOTIVE

CONTAINERS

COAL

CHROME AND MAGNETITE

INTEGRATED CUSTOMER VALUE CHAINS

IRON ORE

MANGANESE

ENERGY

AGRICULTURE

- Integrated planning
- Differentiated solutions
- Investment aligned to demand
- Greater customer responsiveness

Customer supply chains — not transport modes — are the organising principle for planning and investment

Regional integration provides an additional growth platform

Domestic Logistics Platform

Integrated domestic freight platform connecting customers to regional and maritime gateways

Partnership-led regional delivery

Regional Corridors

- Integrated freight systems
- Over-border volumes and corridor throughput
- Port access for landlocked economies

Industrial Capability

- Rolling-stock and component exports
- Technical support services

Asset Solutions

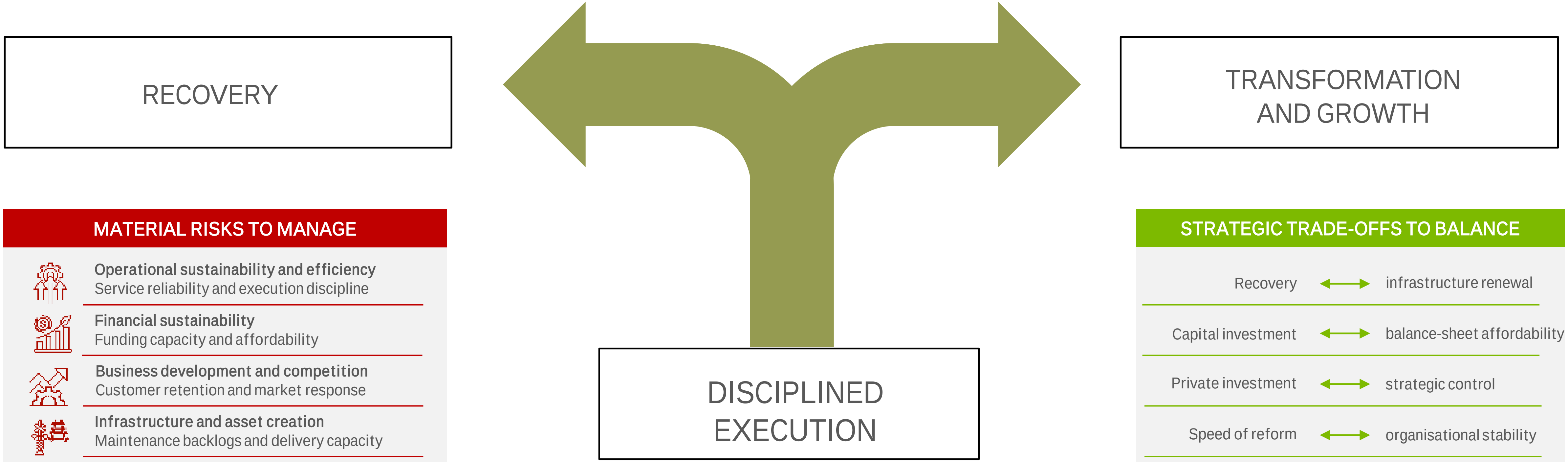
- Rolling stock leasing
- Related asset-management services

SELECTIVE • PARTNERSHIP-LED • COMMERCIALLY DISCIPLINED

Regional expansion must complement – not dilute – domestic recovery

The next phase must address material execution risks and trade-offs

The challenge is to sequence reform and investment without destabilising the recovery



RECOVERY

TRANSFORMATION AND GROWTH

DISCIPLINED EXECUTION

MATERIAL RISKS TO MANAGE

- **Operational sustainability and efficiency**
  Service reliability and execution discipline
- **Financial sustainability**
  Funding capacity and affordability
- **Business development and competition**
  Customer retention and market response
- **Infrastructure and asset creation**
  Maintenance backlogs and delivery capacity
- **Security**
  Theft, vandalism and critical-asset protection

STRATEGIC TRADE-OFFS TO BALANCE

Recovery ⟷ infrastructure renewal
Capital investment ⟷ balance-sheet affordability
Private investment ⟷ strategic control
Speed of reform ⟷ organisational stability
Low-carbon opportunities ⟷ sustaining existing assets

Strong governance • Clear accountability • Phased delivery • Continuous monitoring

Transformation must accelerate – but in a way that protects operational continuity, affordability and strategic value

Transnet is moving from recovery to sustainable growth

The recovery is gaining momentum, and reform is now becoming operational

RECOVERY EMBEDDED

- Operational stability
- Volume momentum
- Improved reliability
- Reestablishment of trust

REFORM IN EXECUTION

- Open access
- Structural reform
- Optimised operating model and service delivery
- Partnership delivery

VALUE AT SCALE

- Reliable customer service
- Increased capacity
- Sustainable growth

2026/27 PRIORITY

Convert progress into measurable value

Disciplined execution

Well-governed partnerships

The 2026/27 priority is to convert this progress into reliable customer service, increased capacity and sustainable growth through disciplined execution and well-governed partnerships

Priorities for 2026/27

The focus shifts from establishing the platform to disciplined execution at scale

Sustain Recovery

1. Sustain rail-volume growth and improve port productivity
2. Improve rolling-stock, equipment and infrastructure reliability
3. Optimise DGT performance and realise PSP benefits

Accelerate Transformation

4. Advance LeaseCo, Container Corridor PSP and other Wave 1 transactions
5. Deepen open-access rail implementation and progress TNPA corporatisation
6. the redesigned operating model and strengthen implementation accountability

Build New Capability And Growth

7. Institutionalise PSP lifecycle management capability
8. Strengthen safety, security and stakeholder confidence
9. Advance segment-led and commercially disciplined regional growth

2026/27
Execution Agenda

Reliable Service • Increased Capacity • **Sustainable Growth**

Disciplined execution and well-governed partnerships will convert progress into measurable value

Fy2026: Five Key Takeaways

01

Recovery is gaining traction

Higher volumes and revenue demonstrate measurable progress.

02

Financial performance has improved

A return to reported profitability marks an important step forward.

03

Investment in the network continues

R23.3bn invested to support reliability and future capacity.

04

The work is not complete

Cost, debt, reliability, security and governance remain priorities.

05

Execution defines the next phase

The focus now shifts to disciplined execution at scale.

THE PROGRESS IS MEASURABLE.

NOW, THE IMPACT MUST BE FELT.

WHEN TRANSNET WORKS, SOUTH AFRICA THRIVES.

THANK YOU