Pouring the Future

Global & Local Trends Shaping the On Premise Experience and Consumption behaviour

NielsenIQ

Agenda

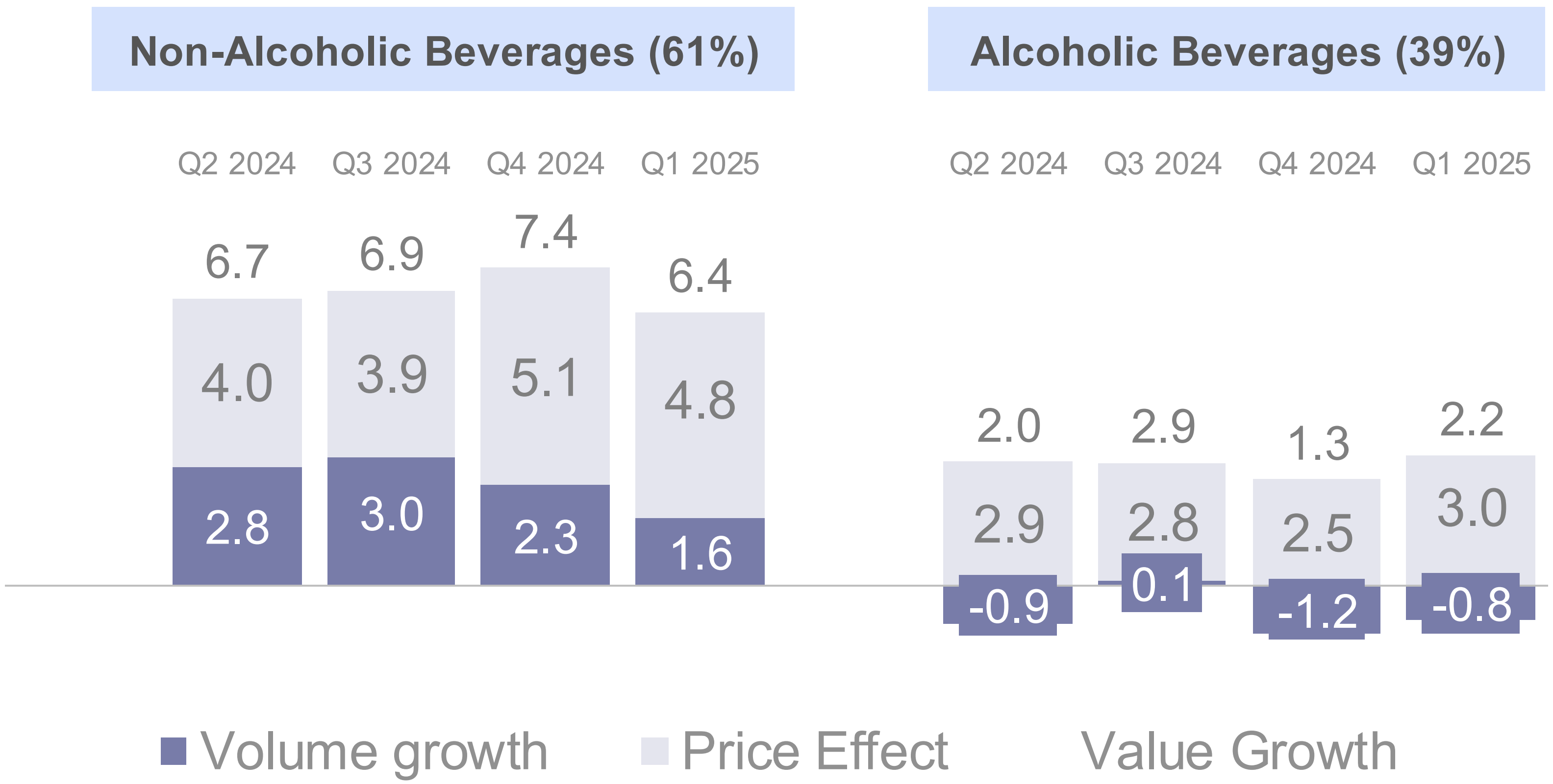
1. Current State of Global On Premise / Alcohol Markets
2. Global Trends: How are people drinking worldwide
3. Local Landscape: What's Happening in Australia
4. What This Means for Pubs

Current State of Global On Premise / Alcohol

Global Retail Beverage growth continues to be led by Non-Alcoholic Beverages – ***Demand (volume) is falling for Alcoholic beverages***

Global Beverage Performance Drivers – quarterly trajectory

Total excl. CGA on premise

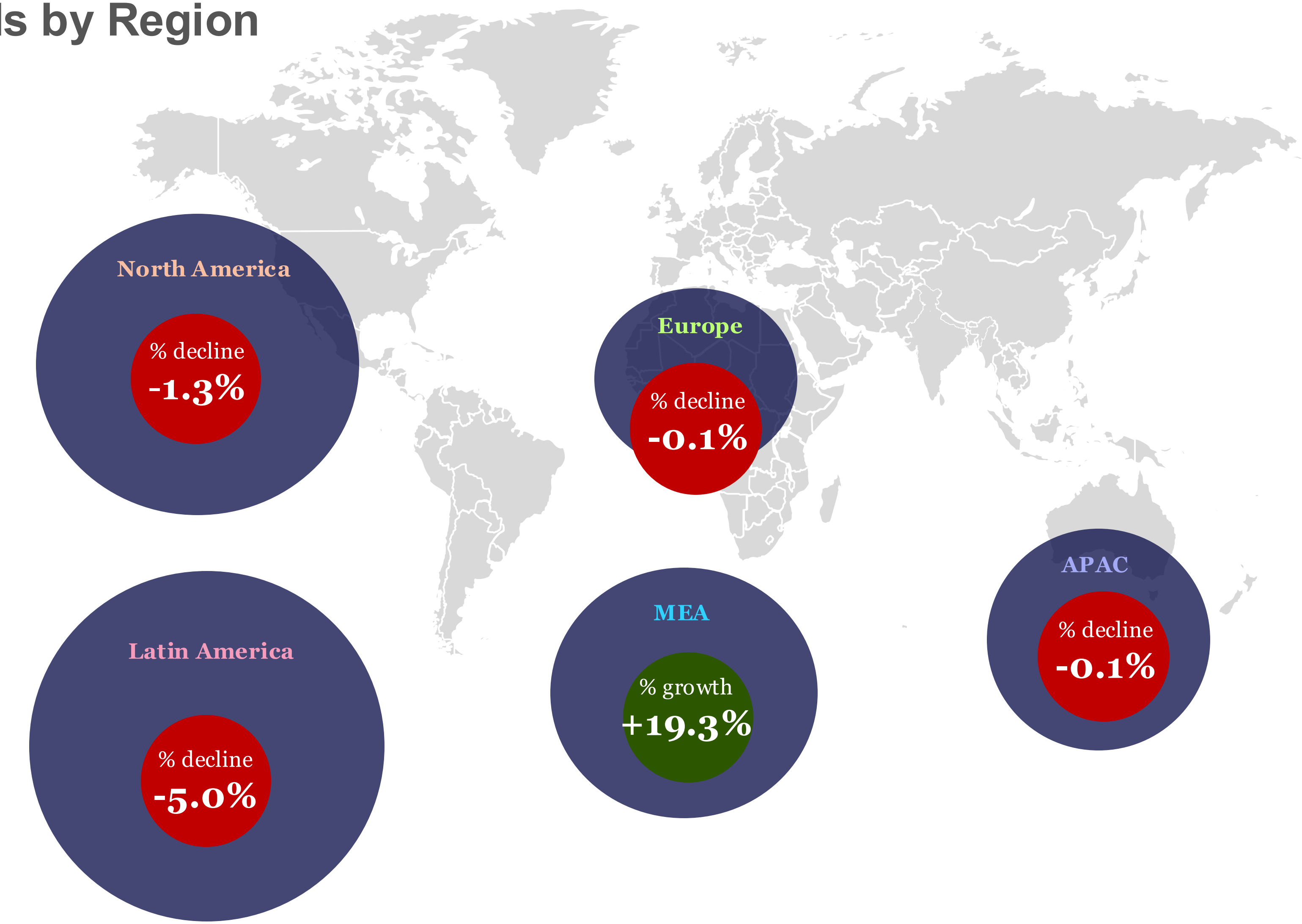


Source: QBN MAT ending Q1 2025 Industry Report, 68 countries. Excludes Dairy beverage categories, excludes CGA On premise

On Premise $ Trends by Region

-1.1%

change vs year ago



Global 20 markets: Europe (6 markets), North America (2 markets), Latin America (4 markets), Asia Pacific and China (4 markets), Africa Middle East (4 markets)
Source: RMS data for On premise as of Mar'25 (11 markets), CGA OPM data as of P04 (9 markets)

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Global On Premise Health: By Numbers

Penetration

83%

of consumers typically visit the On Premise in a 3-month period

= *vs 1YA*

Occasions

-3.4%

Total occasions to the On Premise compared to 1YA

Expected Change

25%

of consumers expect visitation to increase over the next year

vs. 19% who will decrease

Value

-1.1%

in value sales*

vs 1YA

Spend

$127.06

is the average monthly consumer spend

+0.24% vs 1YA

Trade-Up

58%

are likely to pay extra for a better-quality drink

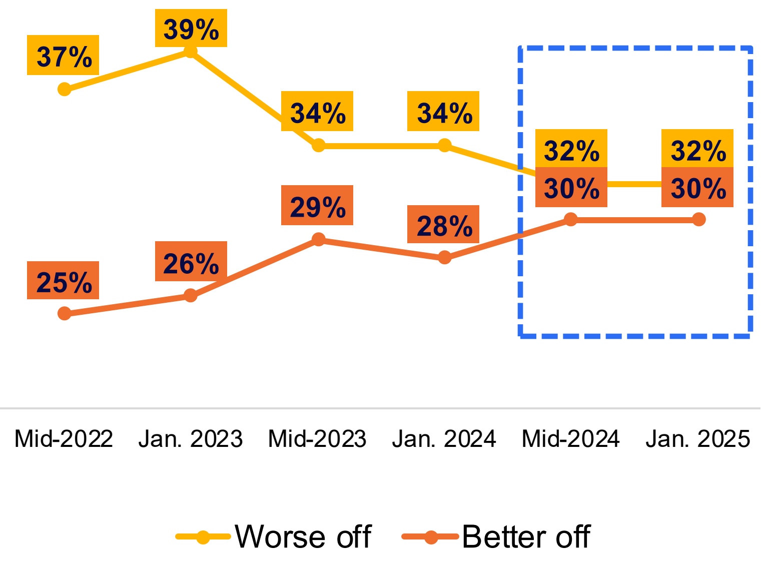
+2pp vs 1YA

*Based on NIQ data from 19 global markets

Recent financial stability, confidence, and spending flexibility could be driving changing brand dynamics

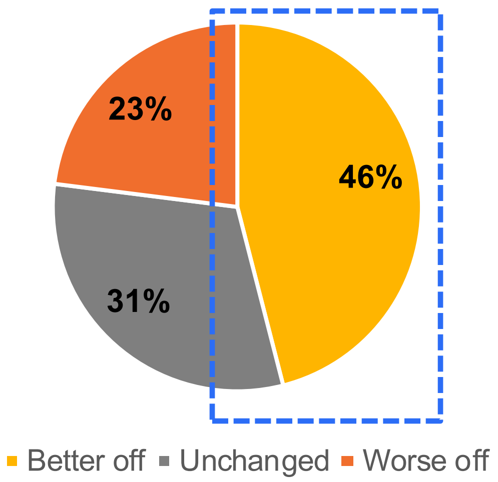
Stability
in global consumer financial position during past six months

Current consumer financial position
% respondents, global



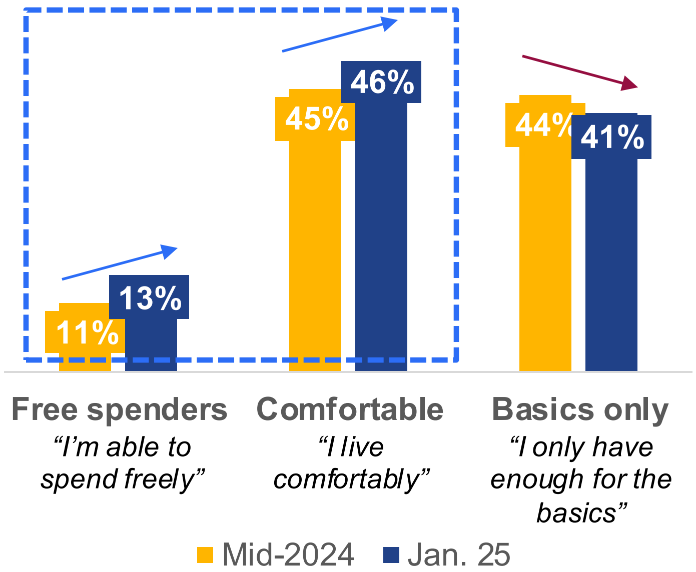
Confidence
in future state of affairs

Expected financial position by end of 2025
% respondents, global



Spending flexibility
has increased

Spending mentality
% respondents, global



Source: NIQ 2025 Private Label & Branded Products report global survey

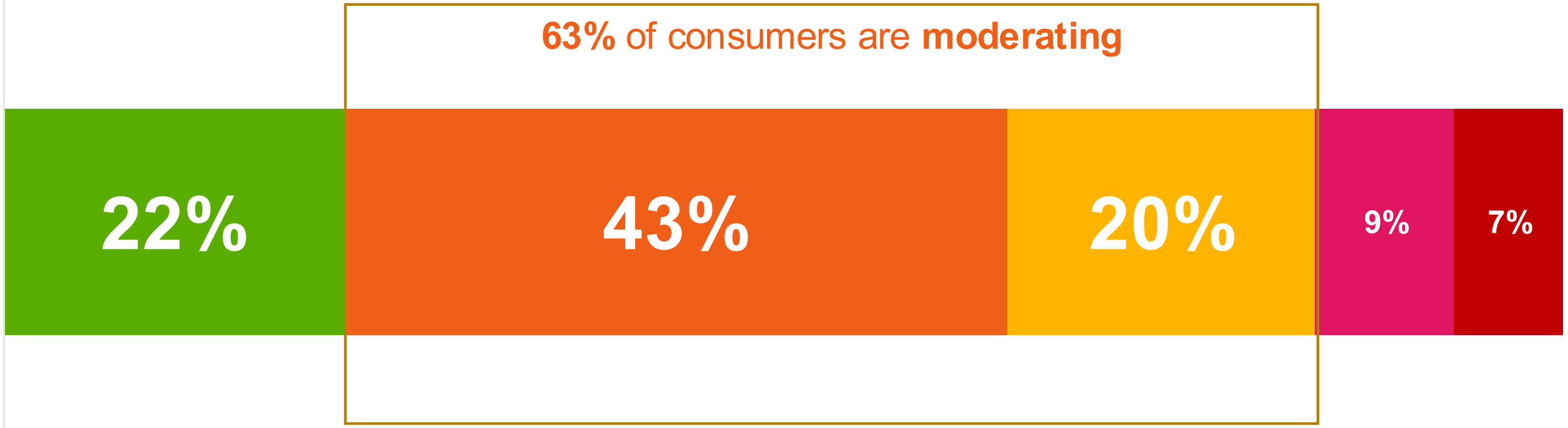
On top of financial headwinds – healthy lifestyles are influencing consumers relationship with alcohol

40%

Of consumers would say **leading a healthy lifestyle** is one of the most important areas of their life

#2 most important

*Which of the following statements best describes your **relationship with alcohol** currently?*



- I enjoy drinking alcohol and see no reason to change
- I drink occasionally but am more mindful of my consumption now
- I used to drink regularly but now choose to drink less
- I no longer drink alcohol
- I never drank alcohol to begin with

Source: CGA REACH Global April - May 2025. Sample: 33,201

In the On Premise, spirits continue to lose share to Beer/Cider/RTD

Spirits

Value share

46.4%

-0.7pp

Value:	Volume:
-2.6%	-5.2%

Beer / Cider / FMB

Value share

53.6%

+0.7pp

Value:	Volume:
-0.8%	-3.2%

Beer’s success is driven by its strong value-for-money perception and its reputation for reliability, particularly in contrast to spirits

***Consumer perceptions** of categories based on On Premise experiences…*

	Cocktails	Beer	Spirits	Wine	Hard seltzers	No/ low alternatives	Cider
Value for Money	#5	#1	#7	#2	#3	#6	#4
Being consistently served to a high standard	#2	#3	#7	#1	#5	#6	#4
Being a trustworthy/ reliable drink category	#3	#2	#7	#1	#6	#5	#4

Source: CGA REACH Global April - May 2025. Sample:33,201

On Premise Opportunities: It's All About <u>Balance</u>…

How this comes to life in the Australian On Premise

Consumers are involved in a delicate *balancing* act that drives their behaviour

Consumers seek high quality food, drinks, and activities	**Balancing finances**	Consumers are cost-conscious and seek value for money
Consumers like to indulge and let off steam	**Balancing their health, wellness and happiness**	Consumers seek out healthier products, experiences and lifestyles
Consumers are increasingly reliant on technology and digital world	**Balancing connection and disconnection**	Consumers demand authentic and unique physical experiences

Consumers are involved in a delicate ***balancing*** act that drives their behaviour

Consumers seek high quality food, drinks, and activities

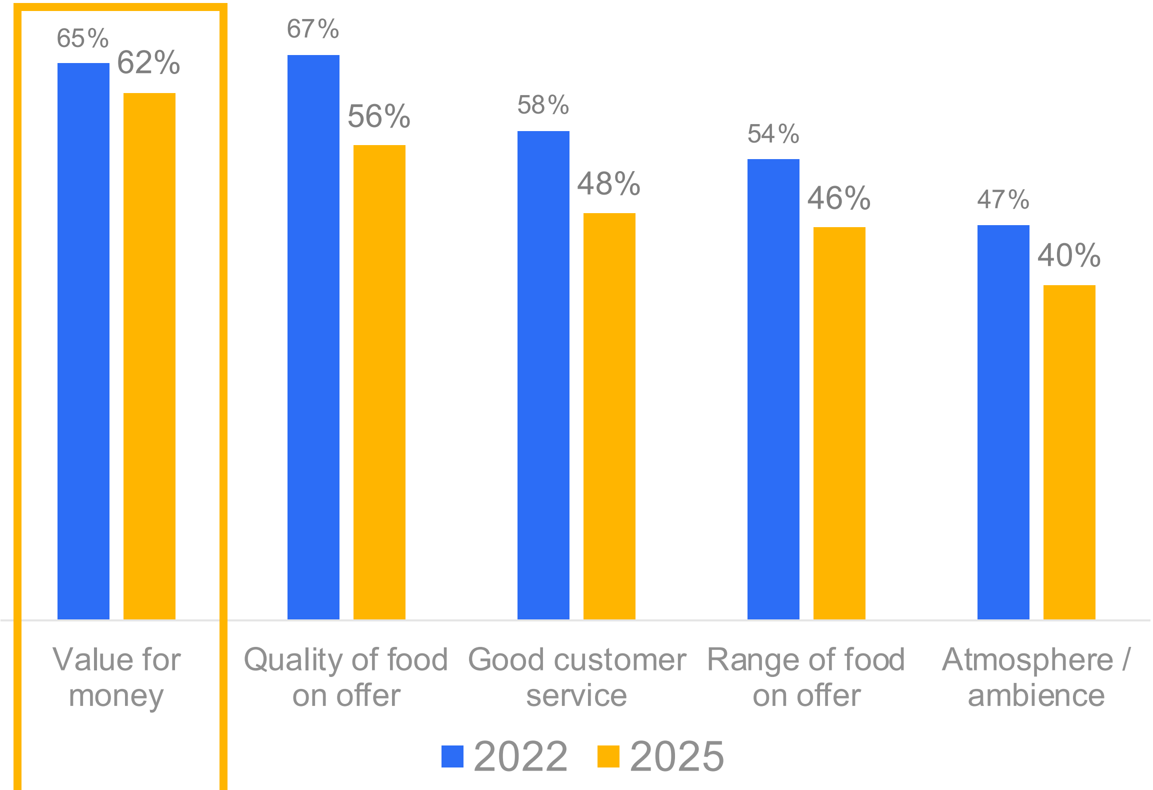
Balancing finances

Consumers are cost-conscious and seek value for money

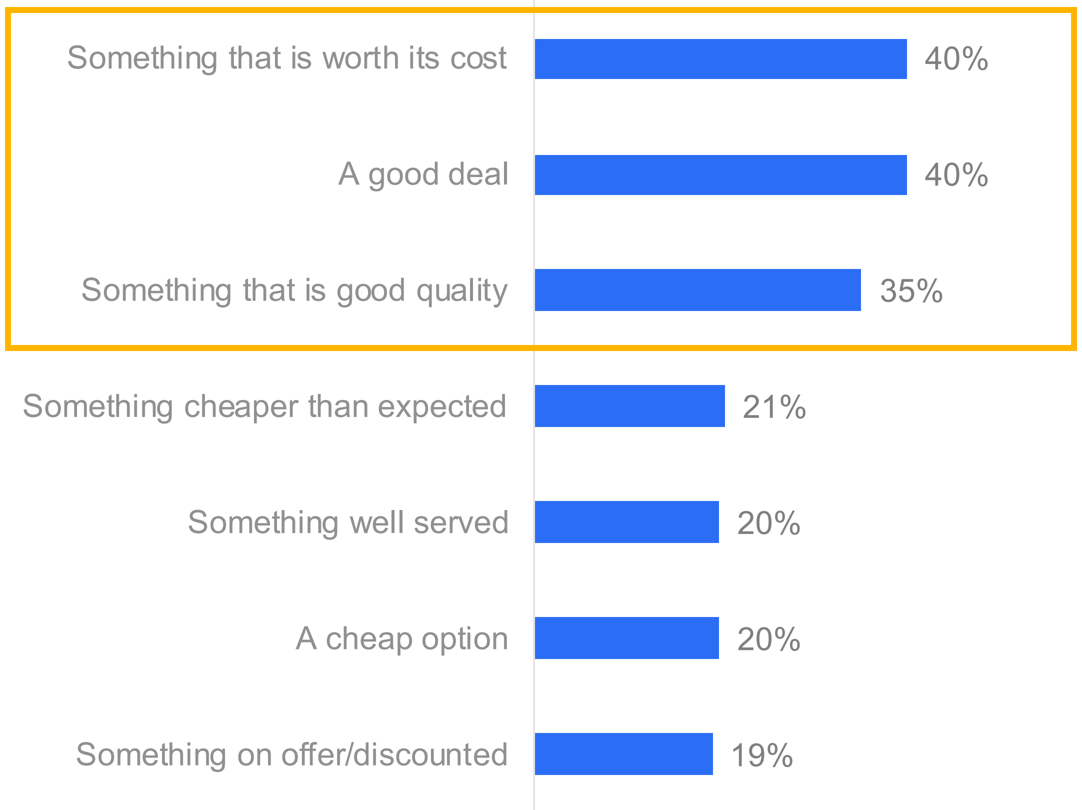
Balancing finances

Value for money continues to drive On Premise venue choice in Australia. But this does not mean cheap.

*Top 5 factors influencing **choice of venue** when eating or drinking out*



*Based on what I spend when I eat and drink out, **value for money is***



NIQ OPUS 2025

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Example: Leading with value and affordability

Francis Venues

Tom Francis, Francis Venues

"Our demographics are really searching **for a decent meal special and a good price**. People can't afford going to restaurants which are $100 a head, but they can come to the pub and **have a decent meal for $30 a head**."

The how?

Perceived value through quality and service

"Increasing the **quality** of dishes on the menu"

"The achievements in **service standards and food quality** has been really good"

Driving value and loyalty through app launch

"It's a rewards system that gives returning customers **access to F&B deals**"

"Great way for key supplier partners to put on deals for new products, **getting feedback on reaction to new SKUs** and the like.

Francis Venues focused on providing quality and value - Australian Hotelier

Balancing finances

Taste, and quality are key drivers in defining good value; making serve quality and menu guidance crucial

*Factors consumers consider when determining a drink in each category is **good value***

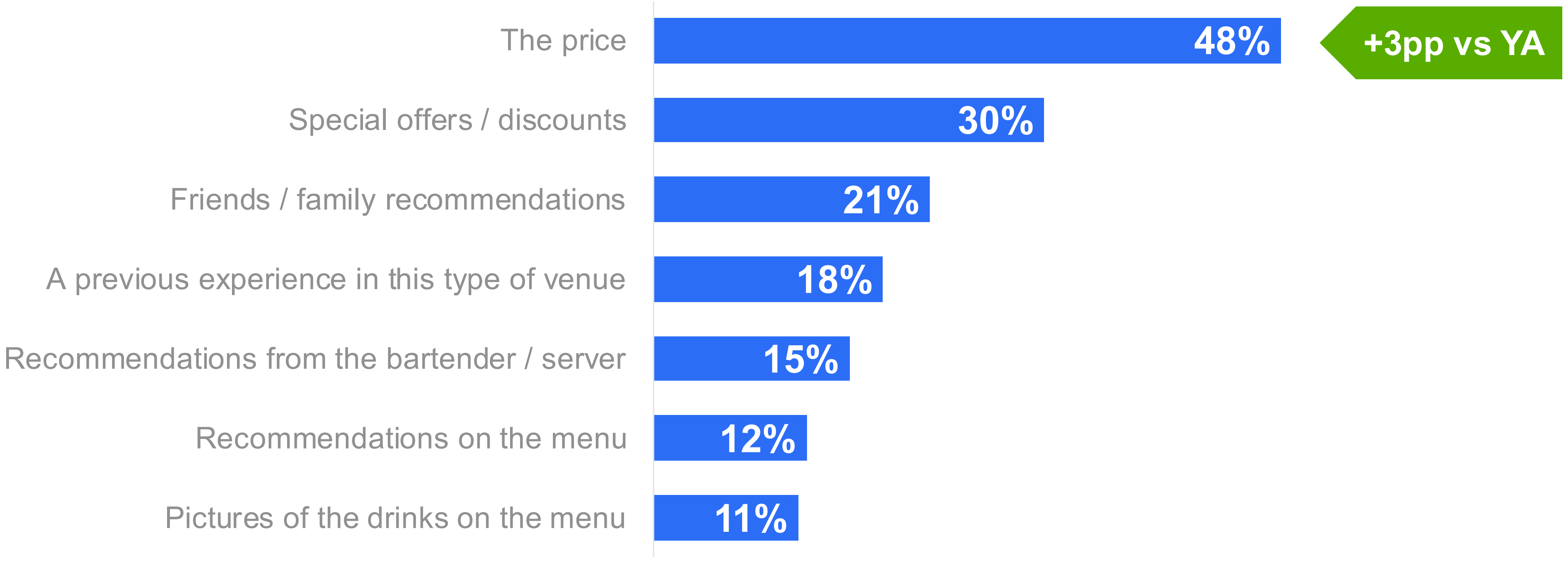
Beer		Wine		Spirits		Cocktails		RTDs	
The taste of the drink	***47%***	***The taste of the drink***	***54%***	***The taste of the drink***	***42%***	***The taste of the drink***	***50%***	***The taste of the drink***	***37%***
If it's a well-known brand or drink	***35%***	***High quality***	***32%***	***High quality***	***31%***	***High quality***	***40%***	***High quality***	***23%***
High quality	31%	If it's a well-known brand or drink	29%	If it's a well-known brand or drink	24%	Size of the drink	33%	Size of the drink	23%
Size of the drink	26%	If it is a local brand or local links	20%	Size of the drink	22%	Well served/perfect serve	26%	If it's a well-known brand or drink	20%
ABV (alcohol content)	19%	Size of the drink	20%	Cheapest available option	21%	If it's a well-known brand or drink	23%	If it's on offer or promotion	18%

Source: CGA by NIQ REACH Australia 2025, Sample size: 141 - 287

Balancing finances

Perceived value for money and quality credentials can only be realised if the ***price is right*** – making it essential to meet consumer expectations in pubs

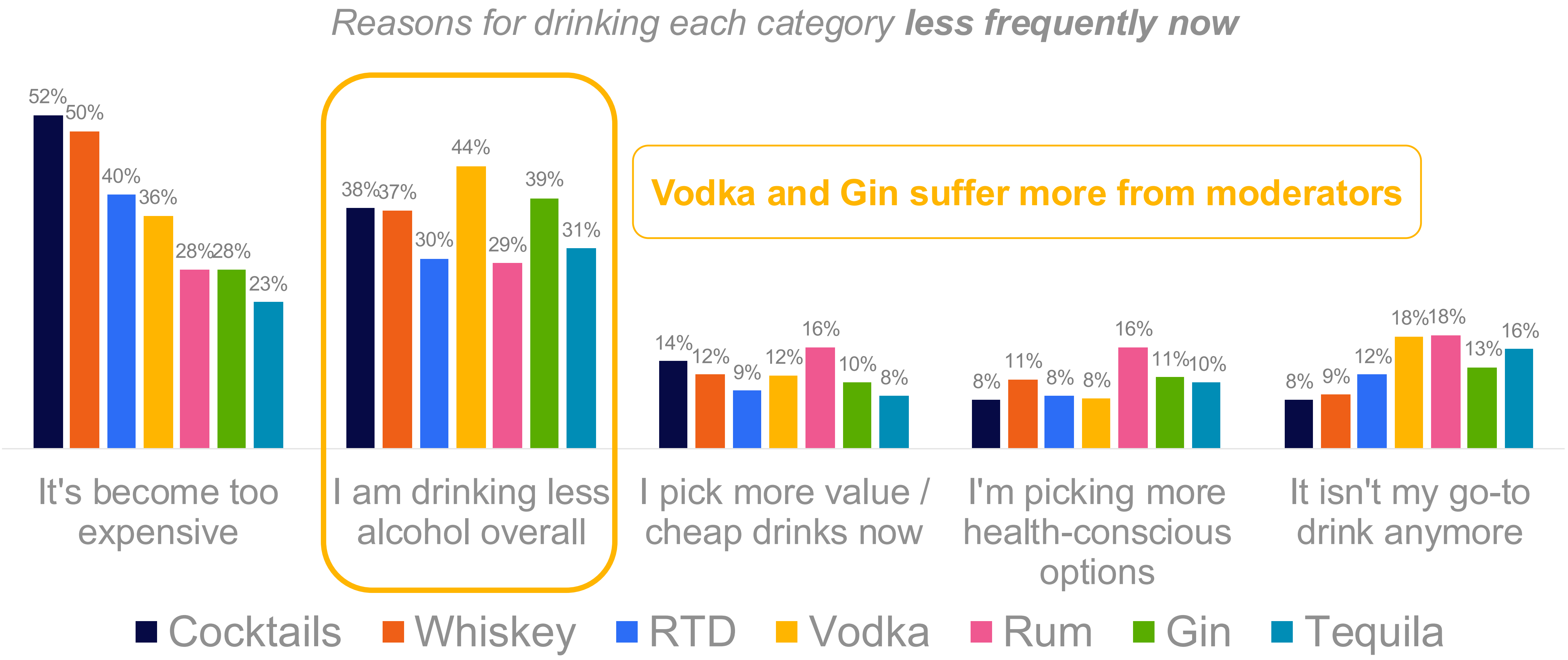
*Factors influencing **drink choice when visiting pubs***



NIQ OPUS 2025

Balancing finances

Price is particularly challenging for spirits, cocktails and RTDs – making It crucial to tailor menus, POSM and bartender training to 'value' translation



NIQ OPUS 2025

Consumers are involved in a delicate ***balancing*** act that drives their behaviour

Consumers like to indulge and let off steam

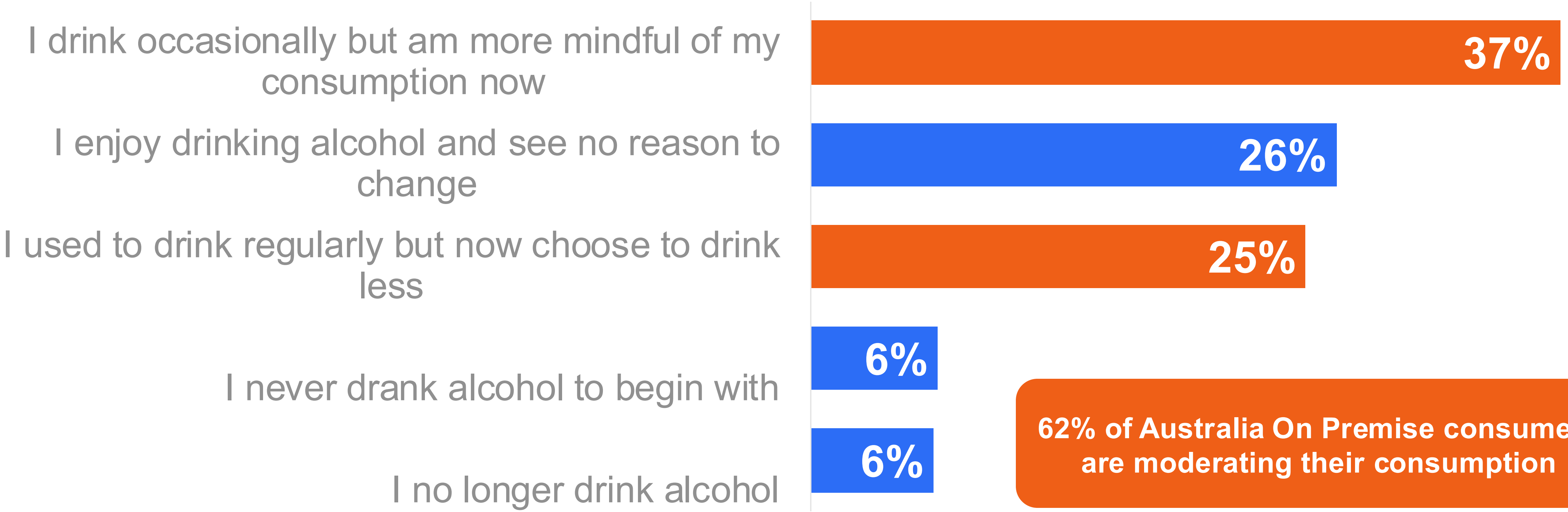
Balancing their health, wellness and happiness

Consumers seek out healthier products, experiences and lifestyles

Balancing their health and wellness

Less but better approach also bleeds into a consumer increasingly involved in moderation

*Which of the following statements best describes your **relationship with alcohol currently**?*



62% of Australia On Premise consumers are moderating their consumption

Source: OPUS Australia

Despite most consumers moderating in day-to-day life, the On Premise is still where they will seek out a treat and deter from their usual routine

61%

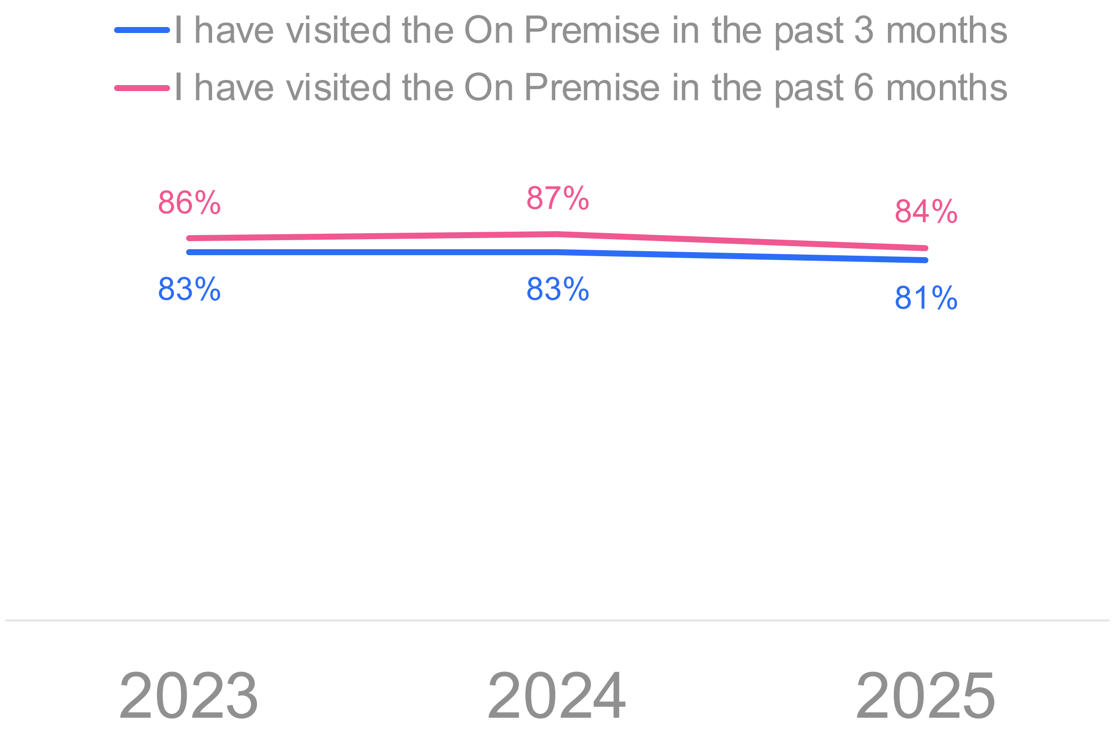
of Australian consumers agree that despite prioritising their health, they still see **eating and drinking out as a treat**, and so **do not factor it into their choices** when out in the On Premise

Source: CGA REACH Global April - May 2025. Sample: 16,486

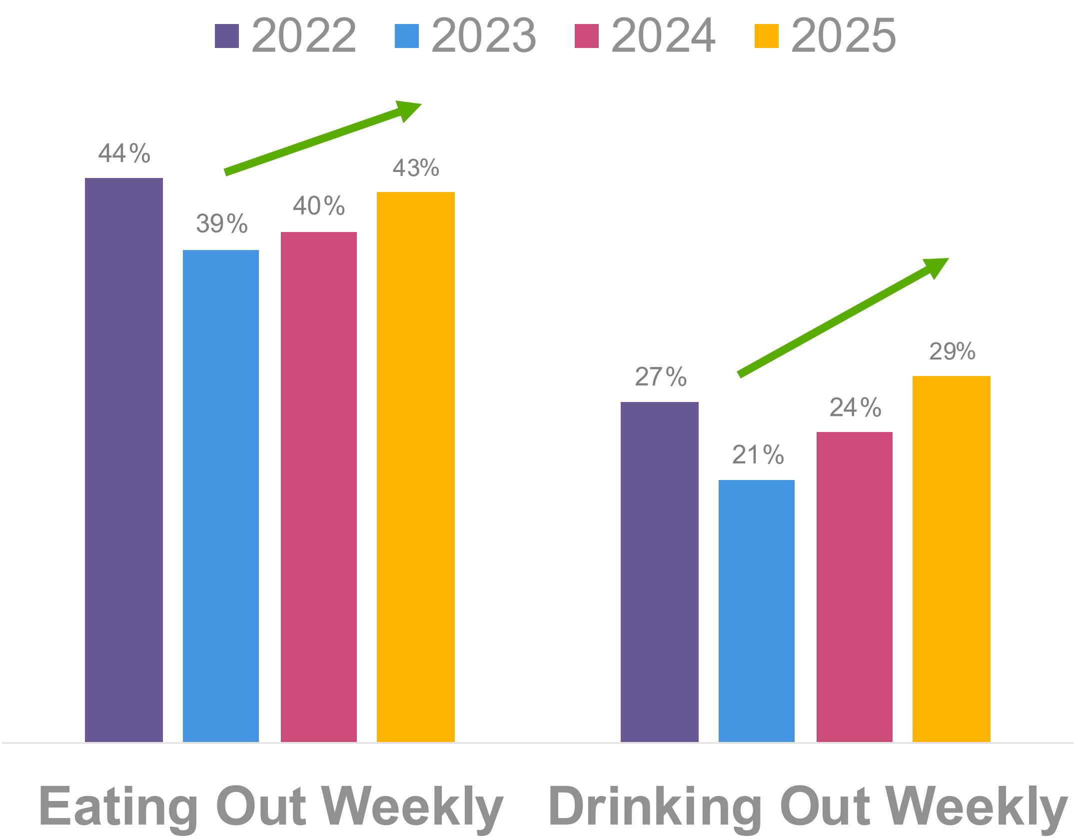
Balancing their health and wellness

Australians are reengaging with the On Premise. Confirming moderation does not mean not going out.

Penetration



Frequency



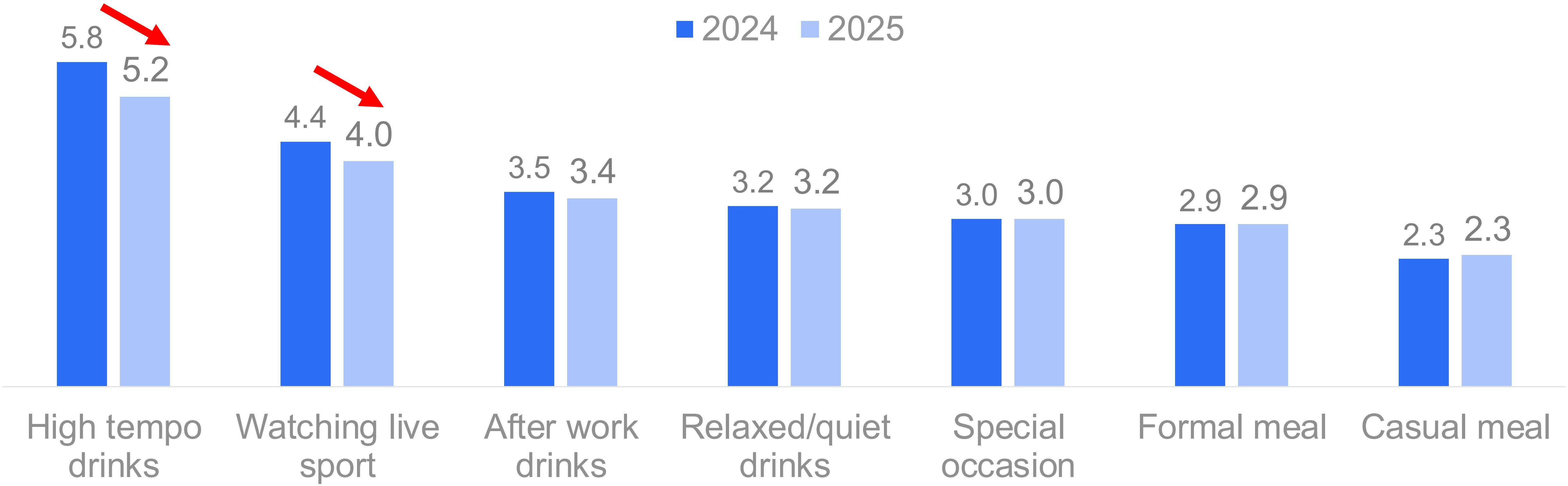
SOURCE: CGA OPUS and REACH 2025

Balancing their health and wellness

Moderating behaviour in Australia shows in the form of a drop in intensity of drinking for high volume occasions

Intensity

*Average **number of drinks consumed** when out for an occasion*



Source: OPUS Australia October 2023, March 2024, September 2024, March 2025; Sample size: 124 – 2438

Balancing their health and wellness

Part of the desire to moderate has come from the increasing popularity of health, fitness, and sleep tracking

Exercise regularly 50%

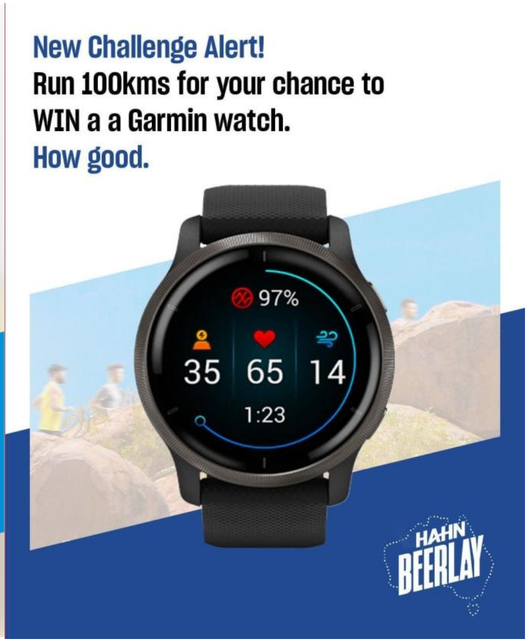
Ensure I get quality sleep 48%

+59%

Increase in running club memberships in 2024 vs YA

6.9M

smart watches sold last 4 years in AU



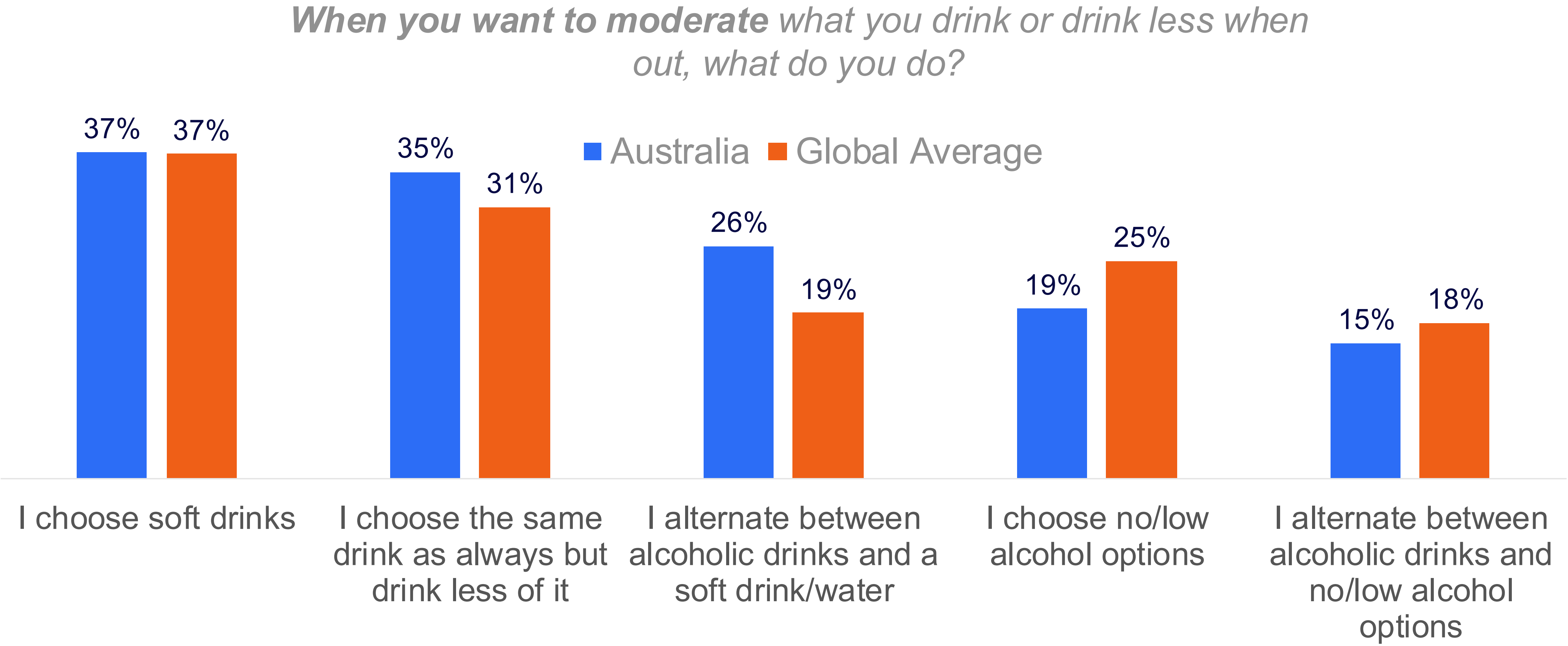
+45% vs 2YA in Retail

+22% vs 2YA in On Premise

Sources: NIQ November 2024 BASES Survey (n=318) , GfK Point-of-Sales Tracking, Core Wearables, Units and Value AUD, last 4 years; https://press.strava.com/articles/strava-releases-annual-year-in-sport-trend; NIQ Homescan | 52Wks to April 2025 NIQ OPM (On Premise Measurement Australia) 52Wks to February 2025

Balancing their health and wellness

Soft drinks and no/low can play key roles for moderators. But consumers are also flexible in their choices



Source: CGA REACH Global April - May 2025. Sample: 20,696

Balancing their health and wellness

Venue Case Study: Tap into the healthier consumer

Partnered with local run club 'morning club' to put on regular events that included group run, Pilates, ice/sauna and food/drinks

Signifies to current and potential customers pub is down with the trends and aligned with consumer lifestyles

Unlocked new dayparts to engage with consumers and grow share of occasions outside of typical operating hours

Harbord Hotel **branches out to tap into the northern beaches running club craze**

NIQ

Consumers are involved in a delicate ***balancing*** act that drives their behaviour

Consumers are increasingly reliant on technology and digital world

Balancing connection and disconnection

Consumers demand authentic and unique physical experiences

Balancing connection and disconnection

Experience focused occasions are gaining share of total On Premise occasions

Total On Premise Occasions Share change vs YA	
After work drinks	+1.4pp
An event in a venue (Quiz, Bingo)	+0.8pp
Themed event (Halloween, St. Patricks Day)	+0.8pp
Ticketed event (DJ, Comedy, Bands.)	+0.6pp
Business meeting	+0.5pp
Live music	+0.5pp

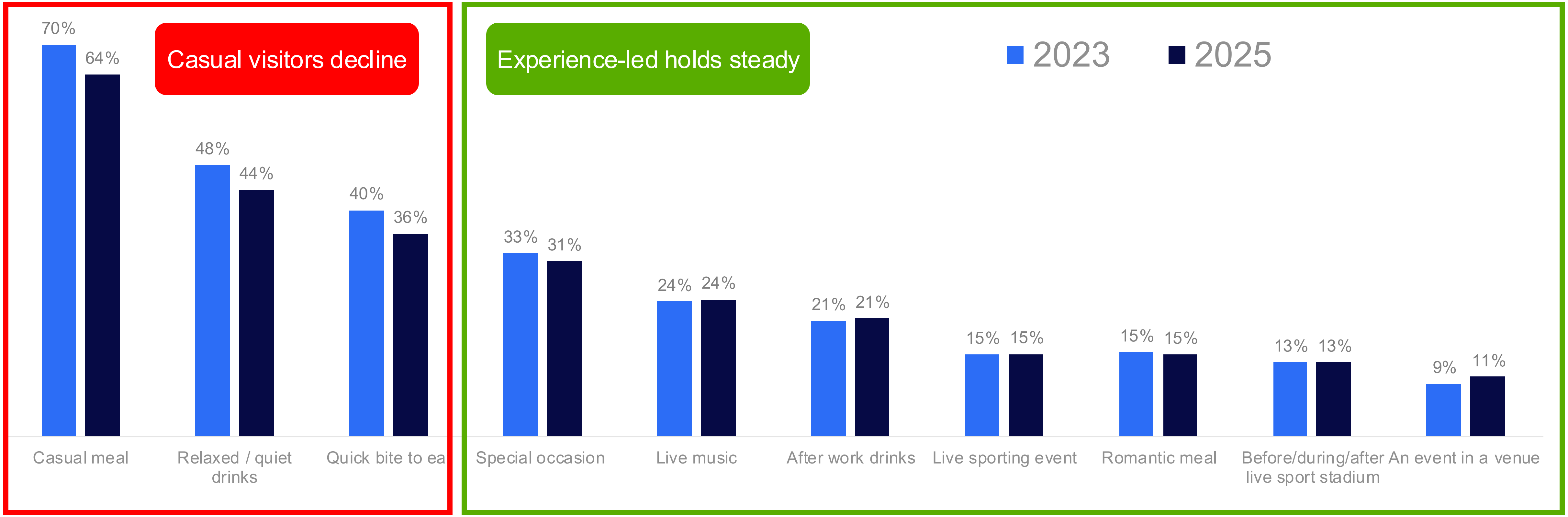
Total On Premise Occasions Share change vs YA	
Before / after shopping or another event	-0.3pp
Before/during/after watching live sport in a stadium	-0.4pp
Romantic meal	-0.6pp
On the go / whilst travelling	-1.0pp
Special occasion	-1.1pp
Quick bite to eat	-1.2pp

Source: OPUS Australia March 2024 March 2025; Sample size: 528 – 4470

Balancing connection and disconnection

Demand drops for casual pub visits. showing the need to focus on occasions to drive continued visits

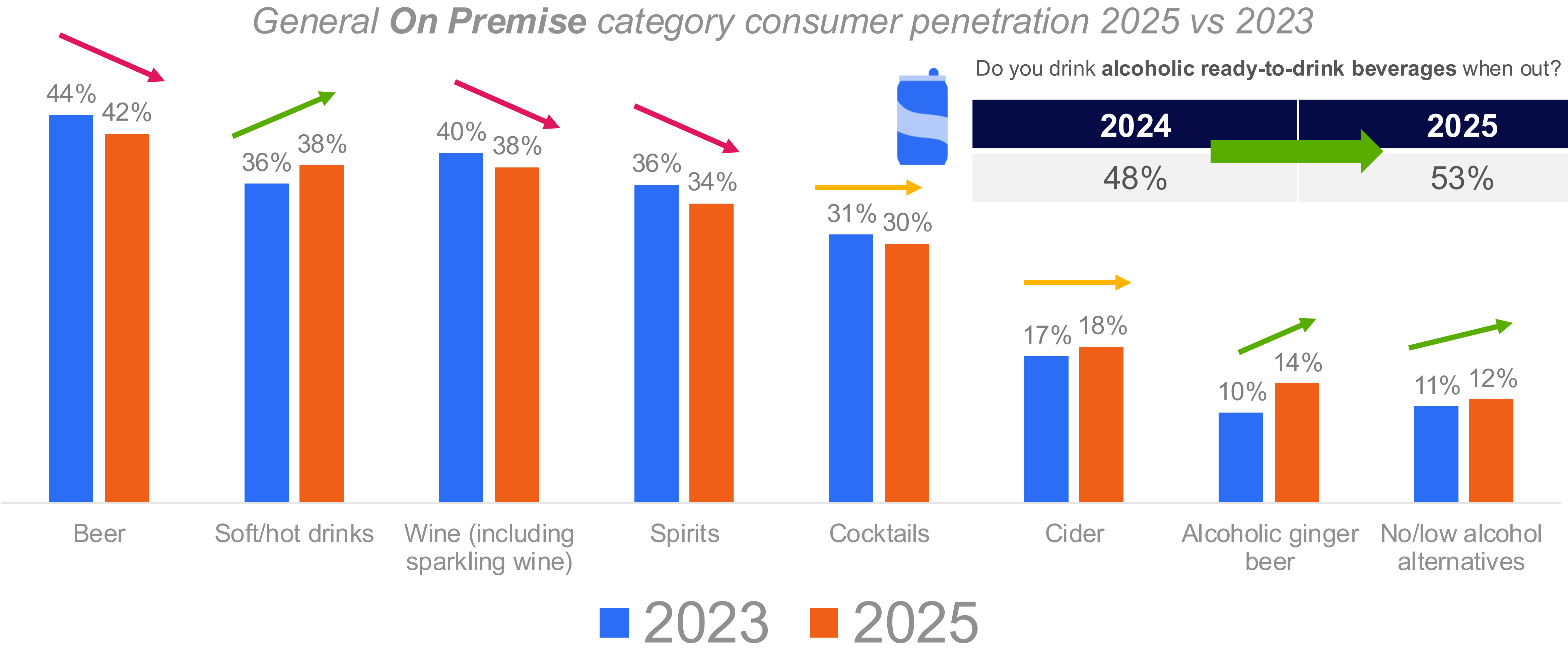
*Occasions consumers visit **Pubs** for*



Source: OPUS Australia March 2023-2025

Balancing connection and disconnection

With shifting occasions brings different drink preferences. RTDs and Ginger beers big winner.



Do you drink **alcoholic ready-to-drink beverages** when out? - YES

2024	2025
48%	53%

Source: OPUS Australia March 2022-2025, Sample size: 4000 – 4004

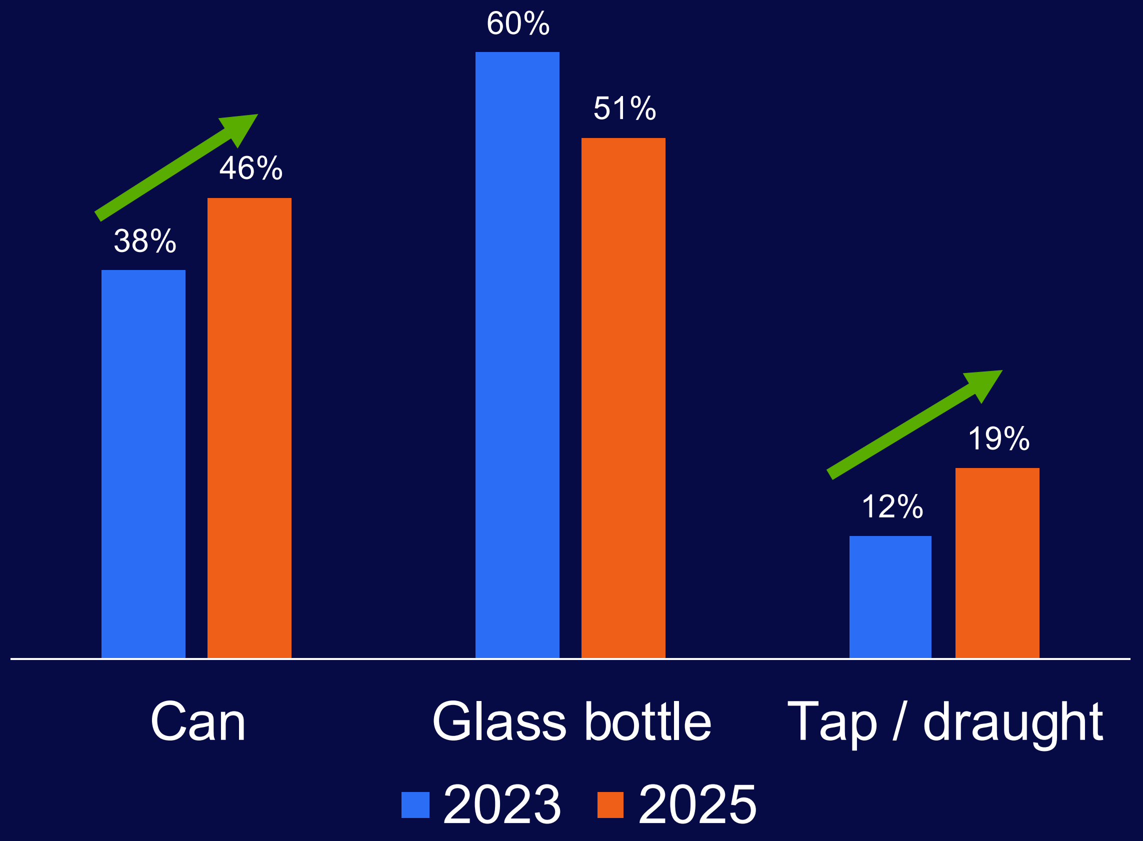
Balancing connection and disconnection

RTDs play well into activity/experience-led visits, Older consumers and package/serve innovations have driven increased engagement and availability of RTDs

*On Premise **RTD penetration** (vs YA)*

18-34	35-54	55+
74%	63%	24%
+1pp	+4pp	+7pp

*Appeal of RTD **serve format***



Source: OPUS Australia

Balancing connection and disconnection

The top 10 most valuable days of 2024 made up

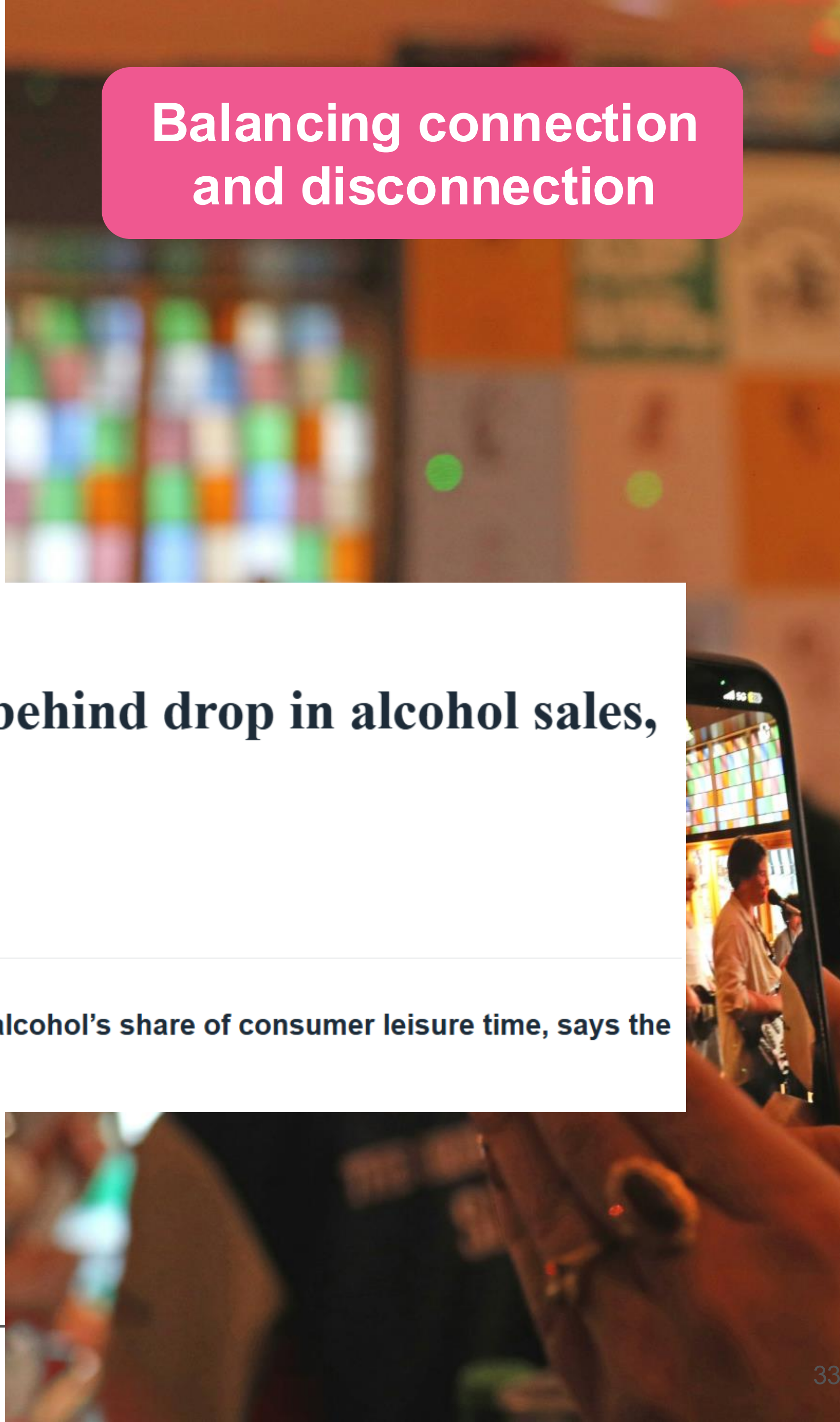
+5pp

more of the yearly total sales than in 2023

Source: CGA EPOS Data US & UK

The growing desire for connection is fuelling the **rise of disconnection bars**

Balancing connection and disconnection



48%

of consumers find ***disconnection bars*** very appealing/slightly appealing

vs. 14% unappealing

+13pp for consumers using social media more for food/drink

NEWS

Screen time, not health fears, behind drop in alcohol sales, says Asahi CEO

20 MAY 2025

By Sophie Arundel

Gaming, streaming and social media are eating into alcohol's share of consumer leisure time, says the head of Japanese drinks giant Asahi.

Source: CGA REACH Global April - May 2025. Sample: 7465 – 16,586

Balancing connection and disconnection

DIGITAL DETOX

In the spirit of Digital Detox, we are pleased to offer 1 bottle of Maia Wine Pinot Noir to every couple who chooses to store their smartphones in our shared box and 1 bottle for every 4 people for groups.

DISCOVER THE MENU

Al Condominio, Verona

The Palace, NYC

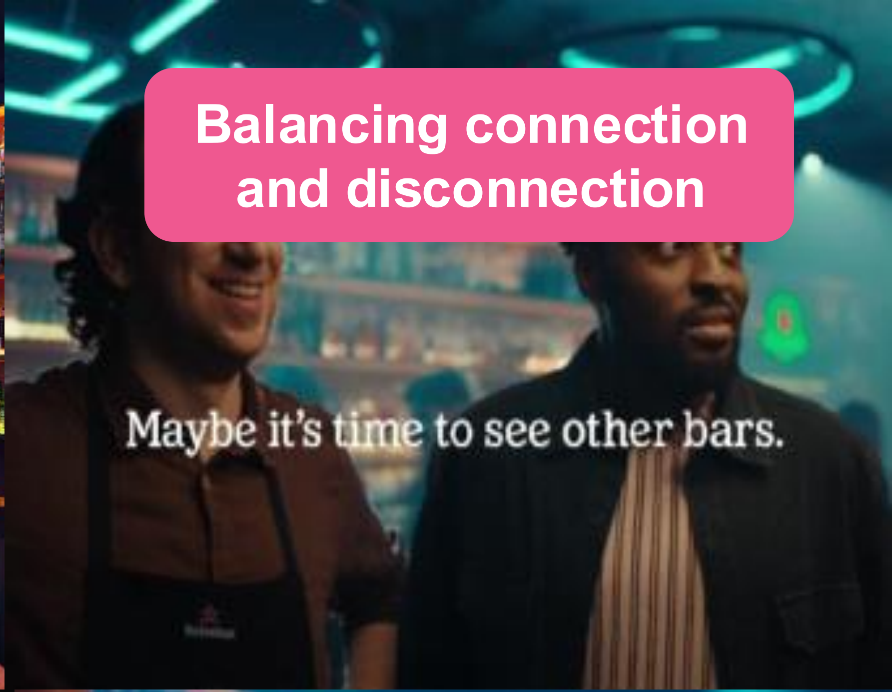
Bistecca, Sydney

Introducing a Dating App… for Bars!

“With dating apps now part of everyday life, Heineken® is blending the worlds of swiping and socialising - offering consumers a clever and easy new way to match with a new bar and refresh their social life.”

- Heineken®

Balancing connection and disconnection



Closing thoughts

Future-proofing your pub for success

Emphasize quality and value in your drink's menu	Re-think spirits serve/menu strategy	Ensure drinks menus are fit for different types of moderators	Host alternative/ wellness aligned events	Create intentional, tech-free experiences
Value for money is contextual and perceived. Understanding and translating this is crucial to driving spend. **Serve execution and menu** mechanics crucial.	Opportunity for spirits, cocktails and RTDs to **better translate value-for-money** and drive higher spend. Focus on **taste, quality and experiential, elements** to drive perceived value.	Moderation is here to stay **but isn't a barrier to visitation.** Winners will show they accommodate for flexible health seekers.	Opportunity outside traditional pub dayparts to **engage with shifting lifestyles.** Look for partnerships or opportunities to appeal to new consumer segments.	Experience-led occasions driving more footfall. **Create and market unique events calendar** to attract experience seekers. **Review drinks offer to ensure fit for emerging occasions.**

Thank you!

Tell us what you think of the insights from todays session…