

Insights Report

A merry
Christmas for
our categories

The season to
remember in
our pubs

Close up on Gifting



Insights powered by Quantum



James Marinelli,
Head of Category Strategy and Insights

Can you believe another Christmas has come and gone? Neither can we, so in this issue we want to give you a chance to dive deeper into the Christmas period and understand the key categories and customers which make this period so important to the industry.

We see a trend towards Liquor shoppers leaving their purchases to the last minute, with Christmas Eve a key trading day for our stores. This last minute shopping trend is even more pronounced in the younger generations, with Millennials and Gen Z making up a greater percentage of customers during the week of Christmas.

This year we saw some great growth within a number of our sub-categories, with Australians choosing Liquor for both self consumption and also gifting.

Insights Report

As a whole Australians spend over \$20B on gifting throughout the year, of which Liquor plays a key role. We know this because 1 in 10 of our customers purchase a gift bag from our stores at some point during the year. This demonstrates that the role of gifting in Liquor is not just limited to Christmas, but plays out across all parts of the year. Yes, we see a spike in traditional gifting occasions like Father's Day - but our customers also like to gift Liquor for birthdays, house warmings and countless other occasions.

While many of the longer-term category trends played out in the sales results, we saw some new trends emerge this Christmas, and while macro factors contributed to a slow start, there was much to celebrate this festive season. In this edition's Insights Report, we dive into the specifics of category performance, generational shopping habits, and gifting trends that shaped the holiday sales period.

Happy reading!

- James



45 **A merry Christmas for our categories**

Let's look back at our busiest trading period.

51 **The season to remember in our pubs**

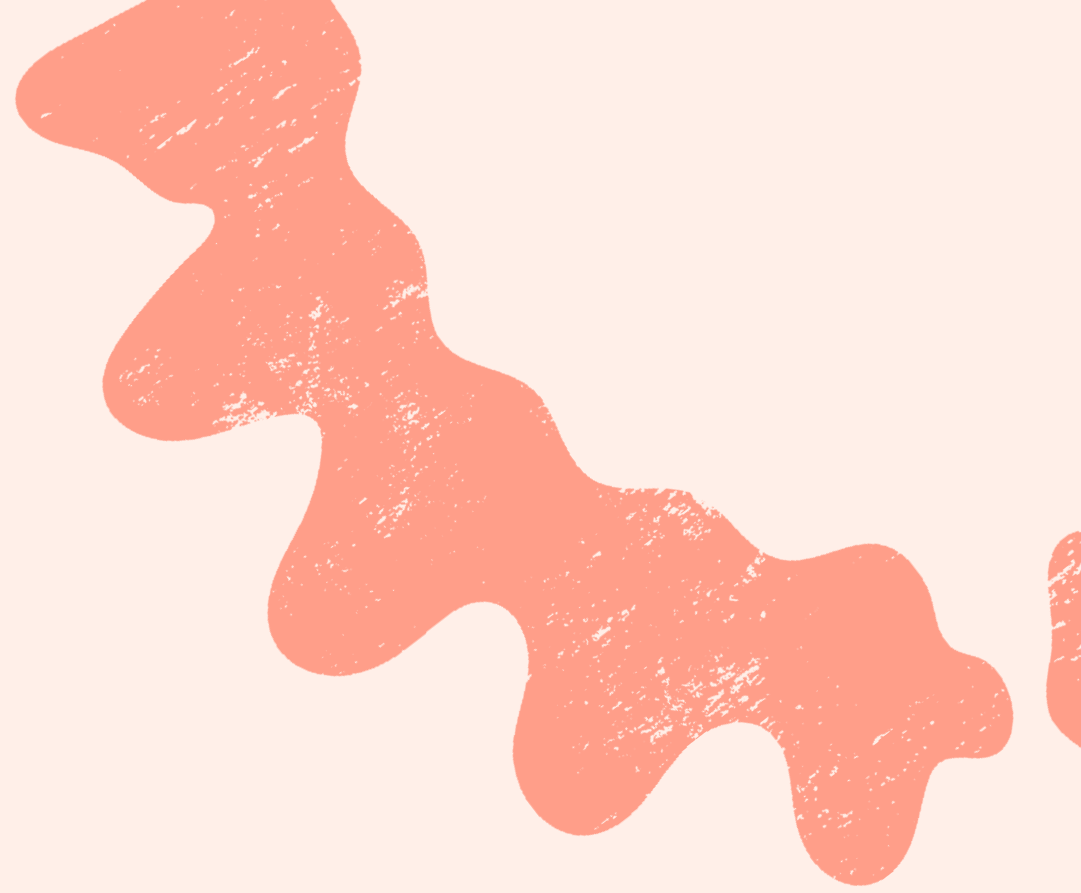
There's a reason Australians love to celebrate at our venues.

57 **Close up on Gifting**

What do our customers choose for those who mean the most?







A merry Christmas for our categories

We take a look back at the
Christmas trading period,
with a focus on what
and how our customers
chose to shop with us.

Overall performance

Against a backdrop of cost of living pressures and a disrupted lead into the season, Christmas and New Years’ finished strong with yet another record breaking final two weeks of the year. All generations contributed to success in the month of December however it was Gen Z that led the charge. Younger Millennials still continue to trail behind other cohorts, with the impacts of cost of living pressures no doubt disproportionately impacting this group.

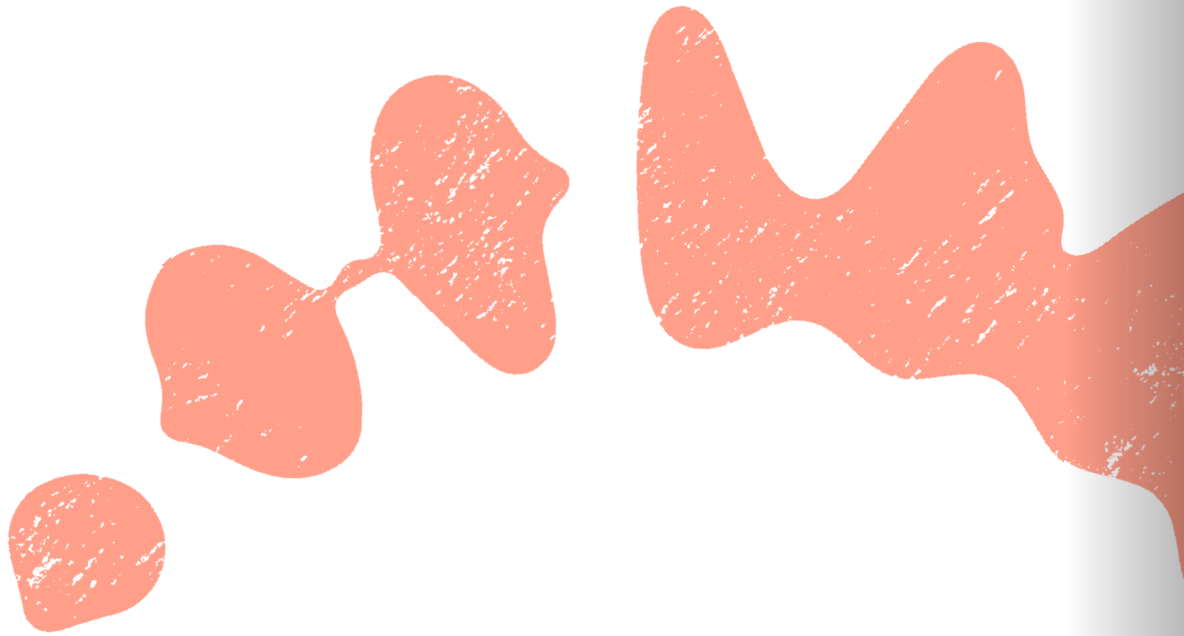
A closer look at sub-category

All categories experienced positive momentum in December with the exception of Spirits which was disproportionately impacted by supply disruption compared to other categories. While all categories experienced improvement in growth trajectory during December following the previous 13 weeks, the uptick of Wine was particularly impressive.

In what is turning into a Christmas custom, we saw a shift in customer preferences again this year. While trending sub-categories like Premix Vodka, Sparkling Wine, Mid-strength Beer, Low Carb Beer and White Wine continued to perform well, we saw the re-emergence of some old favourites in the top 20 fastest growing sub-categories.

Top 20 sub-categories ranked by Sales Growth Contribution

| Rank | Sub-category |
|------|-------------------------|
| 1 | Premix Drinks - Vodka |
| 2 | Sparkling Wine |
| 3 | Mid-strength Beer |
| 4 | Low Carb Beer |
| 5 | Agave |
| 6 | White Wine |
| 7 | Champagne |
| 8 | Craft Beer Australian |
| 9 | Stout |
| 10 | Premix Drinks - Bourbon |
| 11 | Premium Beer Australian |
| 12 | Vodka |
| 13 | Apéritifs & Digestifs |
| 14 | Apple Cider |
| 15 | No Alcohol Beer |
| 16 | Rose Wine |
| 17 | Premix Drinks - Whisky |
| 18 | Cask Wine |
| 19 | Liqueurs |
| 20 | Flavoured Beer |



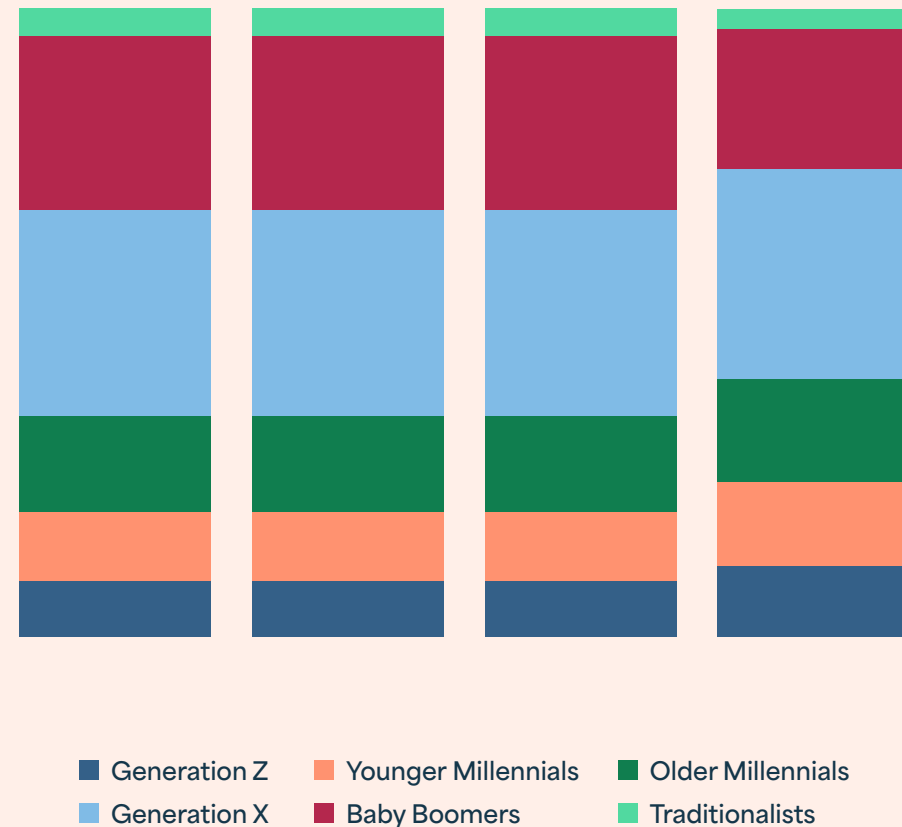
When do customers shop for Christmas?

As customers age, they tend to get more planned in their purchase behaviours and this is also evident at Christmas. During the lead up to the big day, sales are dominated by older generations (Older Millennials, Generation X, Baby Boomers and Traditionalists) with their share of sales peaking to 80% of sales one week out. And while all customer cohorts continue to show week on week sales growth right up until Christmas day, younger generations dramatically step up their shops in the week of Christmas with sales share peaking at 41%.

This shift in generational performance affects category share during Christmas, particularly for products that perform well in more social occasions and gifting. Notably, sales share for Spirits and Premix saw a five-point increase in the final week.

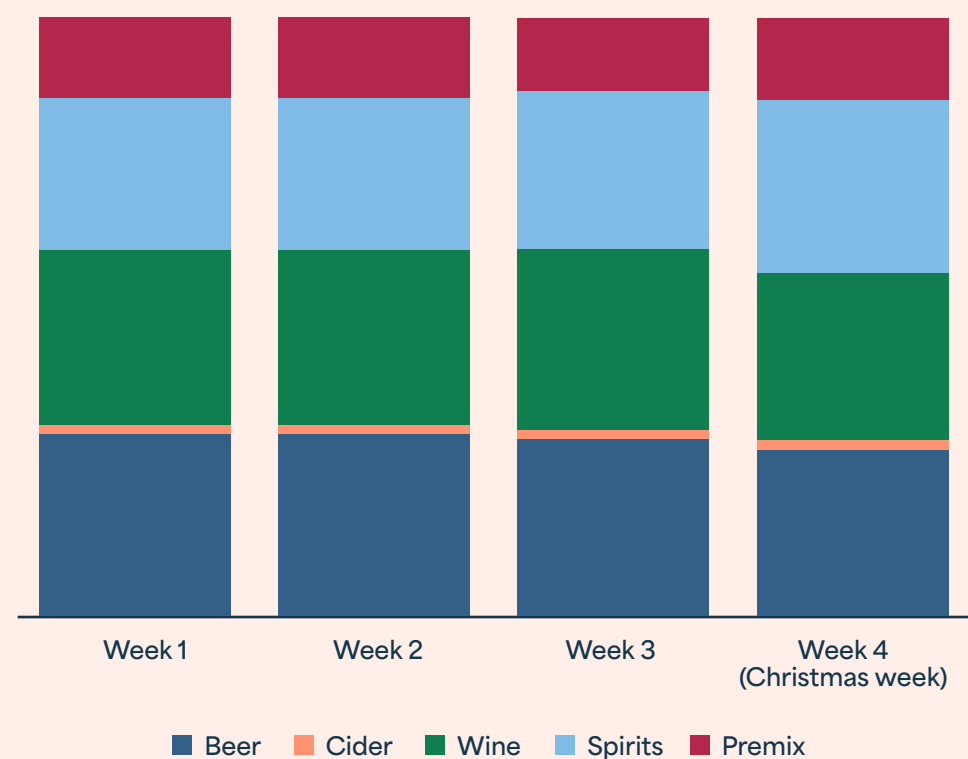
Younger generations are waiting until the last minute







Share of Sales by Week | 4 weeks to 24 December 2024



Category share of sales

Share of Sales by Week | 4 weeks to 24 December 2024

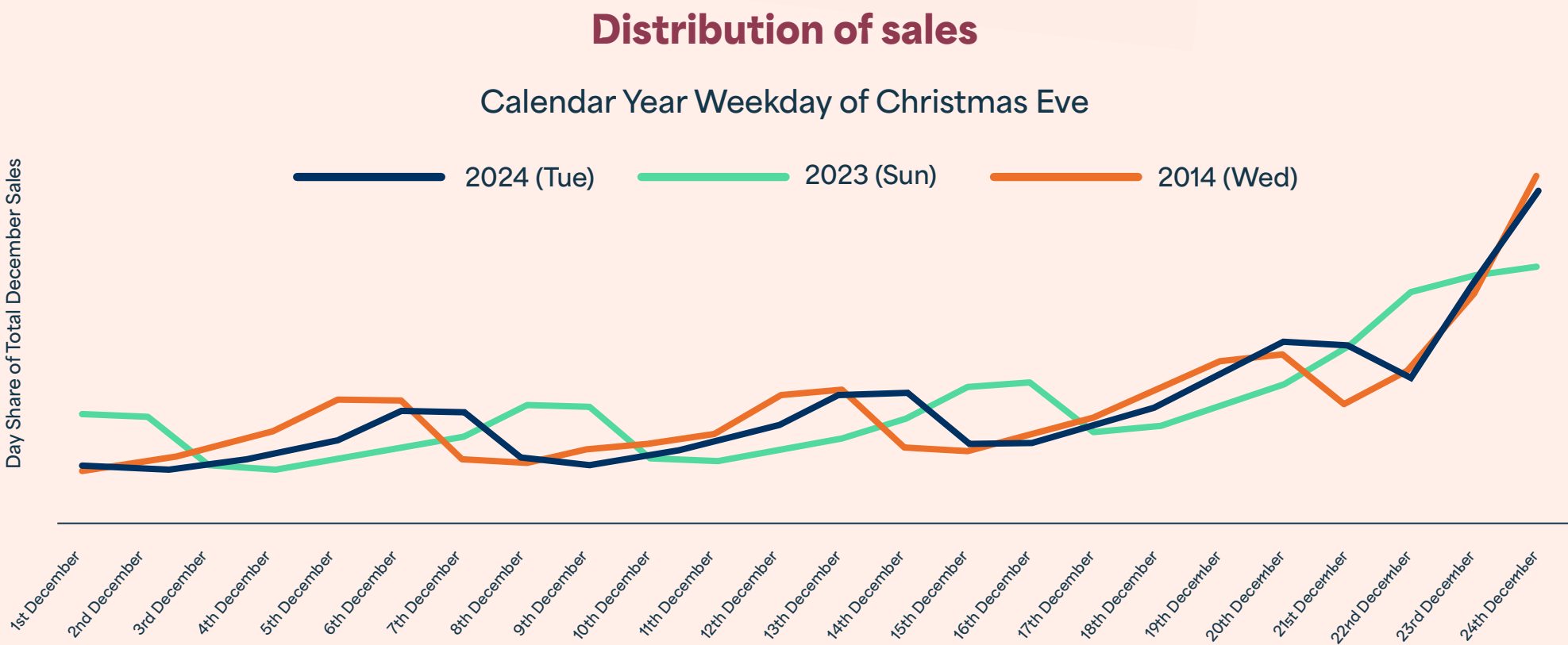
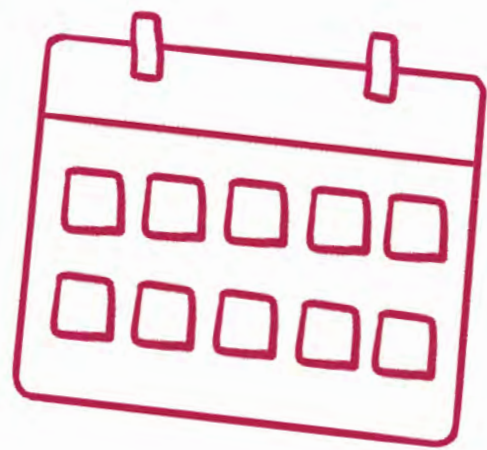


| Category Overview | | | | |
|---|---|---|---|---|
|  |  |  |  | |
| Wine | Beer | Spirits | Premix | |
| Share Change |  |  |  |  |
| Headlines | <ul style="list-style-type: none">Wine's focus on recruitment showed positive results as Wine was the fastest growing category for Gen Z this Christmas.Flavoured, lighter styles and effervescent Wines driving growth.Mindful choices were front of mind with Mid-strength, Low Carb and Non Alc sub-categories growing.Customers showed signs of value seeking as Block Format grew, gaining share within Beer.Stout was the fastest growing sub-category at over 30%.Spritz blitz! - Limoncello and Apertivs drove impressive growth.Agave had a very successful Christmas growing both sales and customers.Declines primarily driven by Whiskey and GinCustomers opted for 4 and 10 packs over the Christmas period, with multipacks growing +2.4% vs prior year, whilst cases had declined -2.3%.Growth delivered by some select brands within the Category. | | | |
| Gained Share | <ul style="list-style-type: none">SpritzBagnum 1.5LPinot Gris / GrigioCab Sauv BlendsProseccoSpritzerMid Strength BeerLow Carb BeerStoutremium Beer - AustralianFlavoured BeerAgaveVodkaApéritifs & DigestifsLiqueurs Liquor - MiniaturesWorld SpiritsNorth American WhiskyPremix - VodkaPremix - Whisky | | | |
| Lost Share | <ul style="list-style-type: none">Shiraz BlendsShirazSauv BlancCask 4&5LPinot NoirChampagne - VintagePremium Beer InternationalFull Strength BeerGinger BeerCraft Beer InternationalLight BeerWhiskyGinPre Batch CocktailBrandyRumNo Alcohol SpiritsPremix Drinks - BourbonPremix Drinks - SeltzerPremix Drinks - GinPremix Drinks - RumPremix Drinks - OthersPremix - No Alcohol | | | |

Christmas Day: Does the day of week matter?

Absolutely.

Not surprisingly, the day of the week that Christmas Day falls on impacts the shape of sales. Historically, when Christmas falls on a weekday, we see a sharp increase in sales on Christmas Eve. In 2025, Christmas Eve falls on a Wednesday - so our prediction is that Christmas Eve this year will be a record breaker. ■







A FESTIVE SEASON TO REMEMBER IN ALH PUBS

We've just been through one of the biggest periods in the ALH calendar, and this Christmas and New Year's season our pubs were at the heart of Australia's celebrations.

From long lunches with family and friends to countdowns at midnight, thousands of guests chose to spend their holidays with us, making it a season to remember.

Christmas Day: A record-breaking celebration

Christmas in an ALH pub is about more than just great food and drinks - it's about creating pub experiences locals love. This year, 43,000 guests celebrated Christmas Day across 270 venues, with over 2,000 team members working behind the scenes to make it happen.



It was also a huge trading period, with:

- Record-breaking Christmas Day sales across our pubs.
- The busiest bar trade on record happened on the Friday before Christmas.
- Our biggest-ever accommodation week, with 5,000 guests staying overnight on New Year's Eve.

And when it comes to what was on the menu, the numbers speak for themselves:

- 4.5 million beers poured in December - enough schooners to stretch from Melbourne to Adelaide.
- 180,000 cocktails served, with Aperol Spritz and Long Island Iced Teas leading the charge.
- 12,000kg of prawns were ordered for Christmas Day feasts.

Every ALH venue plays a role in creating unforgettable Christmas moments, but some standout efforts included The Ranch (NSW), which welcomed over 400 guests, and The Newmarket Hotel (QLD), which had just reopened after renovations and still managed to host 300 guests for a festive feast.

New Year's Eve: A big night, done right

Across the country, ALH venues set the stage for an unforgettable start to 2025. Nearly 6,000 people attended ticketed events, with more than 5,000 bottles of champagne popped as the clock struck midnight.

Some of the biggest celebrations included:

- Magnums Hotel in Airlie Beach (QLD), which turned NYE into a four-day festival with DJs, foam parties, and live music.
- North Wollongong Open Air Festival (NSW), where 3,000 guests partied across a huge multi-act lineup.

Whether it was a massive countdown party or a casual toast with locals, our venues delivered the perfect way for guests to ring in the new year.

pub+ delivers in its first festive season

2024 was a milestone year for ALH with the launch of pub+, and the festive season was a huge moment for the program. With 120,000 unique active members using it in December and 968,000 transactions recorded, pub+ has quickly become a game-changer, allowing us to connect with guests in new and meaningful ways.

Santa Fest: A tradition grows

For over three decades, Santa Fest in Wollongong (NSW) has been a holiday staple, and this year was special for two reasons. Not only did the North Gong Santa Fest return for its 31st year, but we also launched the first-ever Western Sydney Santa Fest (WSSF), expanding the tradition to even more communities.

“Our venues delivered the perfect way for guests to ring in the new year.”

WSSF brought Christmas cheer to four ALH NSW venues, with live entertainment, food and drink specials, and a Santa Fest Passport that encouraged guests to visit multiple venues and earn a chance to win \$1,000 for themselves and \$1,000 for a local charity.

By the end of the day, over \$5,000 had been donated to local causes, including the Luke Priddis Foundation. Seeing Santa Fest grow into new regions was one of the biggest highlights of the season for the team, and it's just the beginning.

“pub+ has quickly become a game-changer, allowing us to connect with guests in new and meaningful ways.”





Looking ahead: How can suppliers get involved?

The festive season continues to be one of the biggest trading periods in the ALH calendar, offering plenty of opportunities for suppliers to activate their brands in our venues. Those interested in collaborating for Christmas and New Year's can reach out to merchandisingteam@alhgroup.com.au to discuss how to get involved.

As we move into 2025, one thing is clear - ALH venues remain at the heart of how Australians celebrate. Here's to another big year ahead! ■

Our numbers at a glance

- 43,000 guests celebrated Christmas Day at 270 venues, supported by 2,000+ team members.
- Record-breaking sales on Christmas Day and the busiest bar trade ever on the Friday before Christmas.
- 5,000 guests stayed overnight during our biggest-ever accommodation week on NYE.
- 4.5 million beers poured in December – enough schooners to stretch from Melbourne to Adelaide.
- 180,000 cocktails served – Aperol Spritz and Long Island Iced Teas were the top picks.
- 12,000kg of prawns served up for Christmas feasts.
- Venue standouts: The Ranch (NSW) hosted 400+ guests, and The Newmarket Hotel (QLD) welcomed 300 guests after reopening.

New Year's Eve

- 6,000 guests joined ticketed events.
- 5,000+ bottles of champagne popped at midnight.
- Magnums Hotel (QLD) threw a 4-day festival with DJs, foam parties, and live music.
- North Wollongong Open Air Festival (NSW) saw 3,000 guests at a massive multi-act event.

pub+

- 120,000 members used pub+ in December.
- 968,000 transactions recorded.

Santa Fest

- 31 years of Santa Fest in Wollongong (NSW).
- First-ever Western Sydney Santa Fest launched across 4 venues.
- Over \$5,000 donated to local charities, including the Luke Priddis Foundation..







A close up on gifting

As a critical opportunity to engage with our customers, Gifting remains a focus for us. We chat to our Heads of Category about what's on their minds for this year's Gifting lines.

While it goes without saying that it plays a major role throughout Christmas, Gifting is of critical importance to the liquor industry all year round. It's estimated that Australians spend close to over \$20 billion on gifting throughout the year with liquor a favourite choice amongst gift-givers.



It is disproportionately important to Dan Murphy's too. Gifting missions in Dan's throughout December almost double when compared to other months - which is likely driven by Dan's extensive range, availability and customer service. Customers can confidently visit Dan's knowing that they will be able to pick up the right Gift no matter the occasion or recipient.

For this reason, you will continue to see Gifting called out as a strategic pillar across the Wine, Spirits and Dan Murphy's customer Jobs to be Done.

\$12B

Estimated spend on total gifting during Christmas

30%

of customers claimed to purchase alcohol as a gift this Christmas.



Gifting peaks at Christmas

Dans % of buying a gift for someone as main reason for shopping



Gifting missions double for Dan's in December versus baseline.

Gifting in our categories

Beer & Cider

While Beer and Cider doesn't immediately spring to mind as a category that has a major focus on Gifting, it does present an opportunity to drive some impulse sales. We had some learnings this year, for example, mixing different sub-categories like Cider, Beer and Ginger didn't really get a lot of traction but we absolutely loved the idea of testing innovative ideas.

The team is excited to really dial up the "collectability" of seasonal packs to drive value beyond price.

Some thoughts starters include:

- **Mixed brewery showcase:**
A handpicked selection from a number of breweries, giving customers a taste of different styles.
- **Personalised Beer box:**
Customisable cans or labels or a "pick your own six-pack" concept.
- **A time capsule:** A set of retro-branded cans, with a booklet detailing their brewing history.
- **Contextually relevant, branded gift with purchases:**
Highly desirable and rare branded merchandise that links with your brand proposition.



Gill Webb
Head of Endeavour Beer & Cider



Commercial Wine

Premium Red Wine, Champagne and Sparkling continue to dominate the Gifting purchases of our customers across both Dan's and BWS. With the growth in the Wine category continuing to come from lighter, more approachable styles, it becomes increasingly critical for the Gift offer available to mirror these consumer changes to ensure the Wine category remains a giftable category particularly for the MilZ cohort.

This year we will be looking for Gifting lines to cover not only traditional segments such as Champagne and Shiraz, but also include limited offerings in high growth segments such as Spritz, Flavoured Wines and Emerging Reds.

We are always on the look for lines that are:

- **Disruptive:** this could be bottle shape, label, or limited edition collaborations etc.
- **Limited, Premium, Collectable:** for our engaged or discerning customers.
- **All sizes:** both single serve and Magnums provide our customers with unique options to Gift from Kris Kringle to the centre pieces of Christmas lunch.
- **Gift boxes:** We know that our customers love to gift Wine in boxes as they are easier to wrap.



Leigh Firkin
Head of Endeavour Commercial Wine



Fine Wine

In addition to the points Leigh raised which also hold true for our Fine Wine Portfolio, we are starting to see the steady rise of Premium Chardonnay and Pinot Noir which may prompt us to think about how we can proactively promote these products as gifting options when the gifting space has traditionally been driven by heavier Reds and Champagnes.

Andrew Shedden
GM of Premium & Luxury

Spirits

Christmas is a critical time for Gifting in our category and we need to keep ideas fresh and enticing each year.

We're particularly interested in:

- **Complete Cocktail solutions:** Curated sets with everything customers need to create festive cocktails. Let's get creative on themes too!
- **Unique and limited edition products:** Exclusive occasion-themed flavors and packaging that generate excitement and a sense of urgency for customers. Think liquid and packaging here.



Sarah Hall
Head of Endeavour Spirits & Premix

- **Effortless entertaining:** Items that simplify hosting and create memorable experiences for customers.
- **Liqueur tasting packs:** Smaller format bottles or curated selections of Liqueurs, ideal for customer discovery such as themed packs.
- **Innovative packaging:** Visually appealing and/or reusable packaging for our standard product range, refreshed seasonally or for special occasions like Christmas.

Premix

Slightly different to Spirits, Premix is yet to really establish itself as a Gifting category. We see it as an opportunity to excite and delight customers during Gifting occasions.

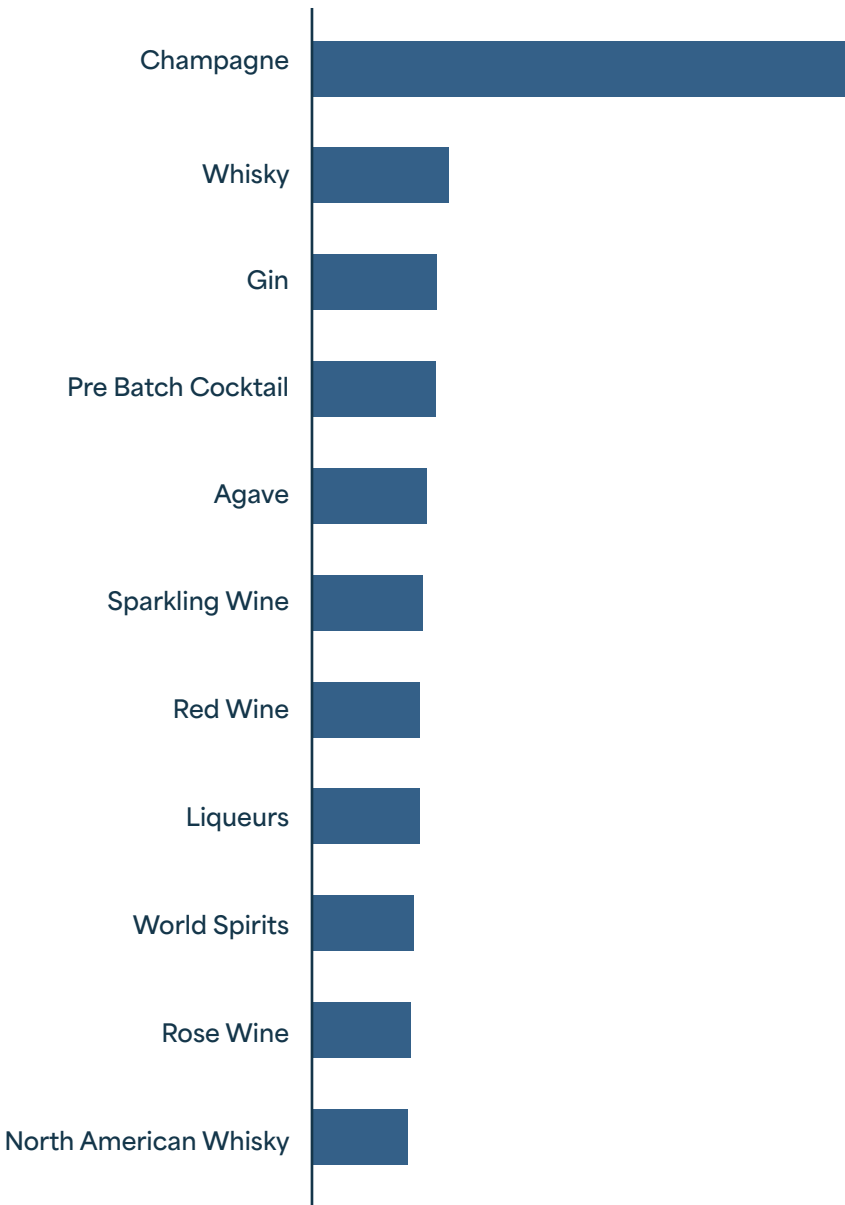
Some ideas could include:

- **Unique:** event driven or festive flavours.
- **Event inspired formats:** mixed 10 packs for both gifting and grab & go sharing.
- **Packaging:** soft changes to drive collectability and inspire gifting. This could be as simple as a ‘To: From:’ tag added to an existing customer favourite mixed pack. ■

Key Gifting sub-categories

Looking at basket affinities between sub-categories and gift bags can also help us understand the categories most likely to be gifted. For example, Champagne has the highest likelihood of to appear in the same transaction as a gift bag or box than any other sub-category, four times more likely than Whisky, and Gin as the third highest.

Sub-category x Gift Bag Cross Shop by Index



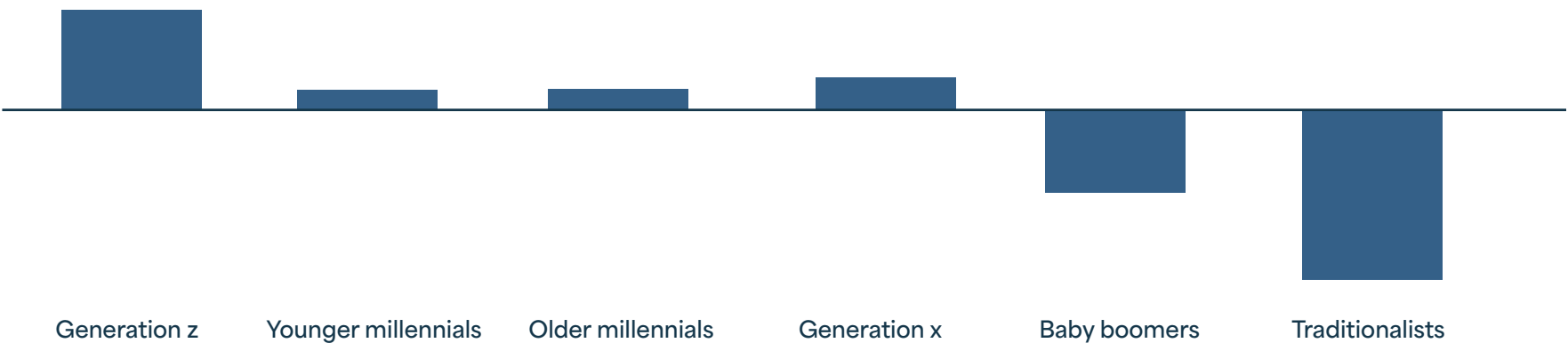
Gifting occasion spotlights

Christmas

Last year, Gen Z had the highest over-index with Gifting occasions this Christmas, followed by Gen X.

Gifting Index vs Total EDG Sales

Split by Generation | 4 weeks to Xmas



Mother's Day

While Australians might not typically tend towards Liquor in their first instance for mum on her special day, 1 in 10 customers will shop the Category.

Unlike Father's Day, where Whisky and Bourbon top the choices for Gifts, we see customers opt for Wine most often for Mother's Day.

Mother's Day

Wine

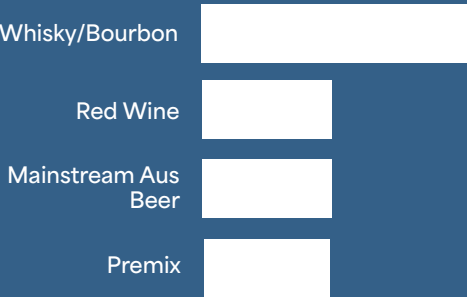
was the most popular alcoholic Mother's Day gift



Father's Day

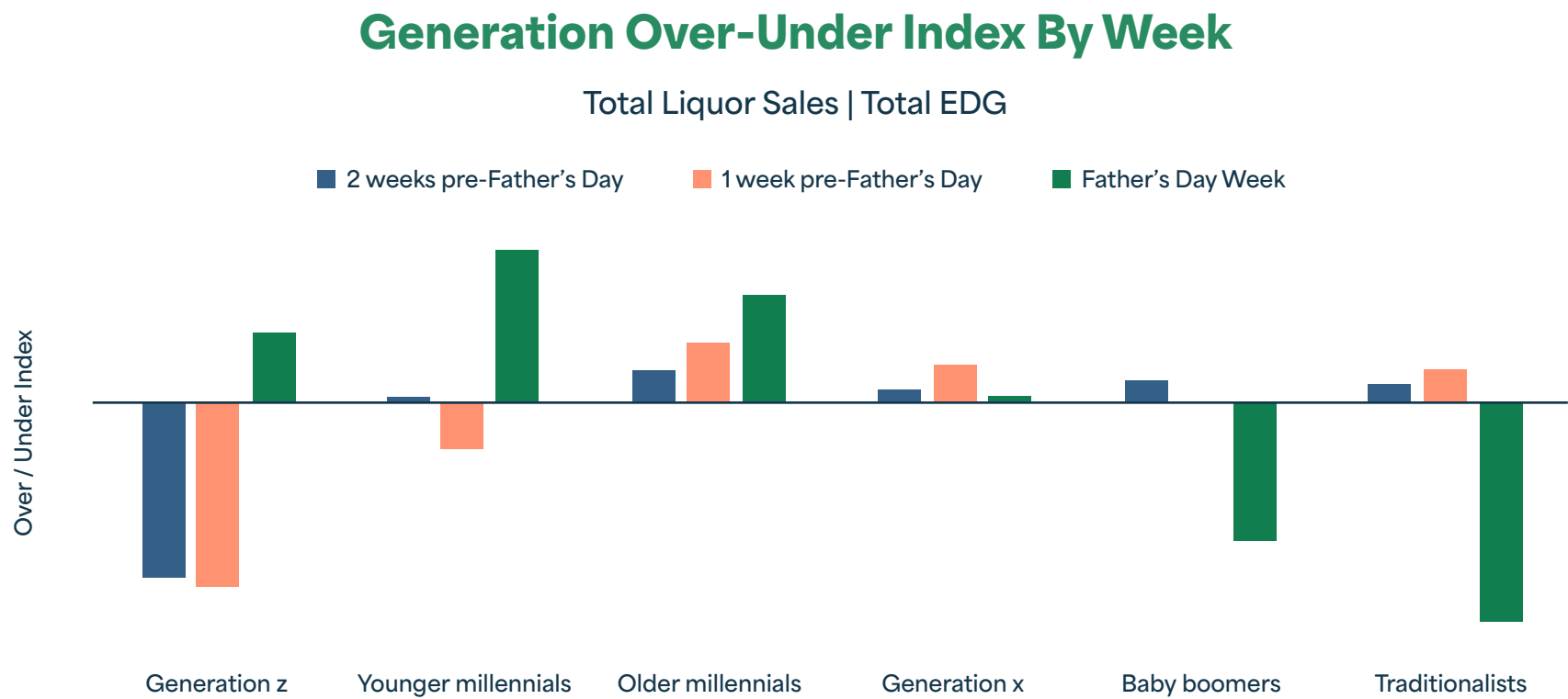
Whisky/Bourbon

was the most popular alcoholic Father's Day gift



Father's Day

We see a difference in shopping behaviour between our generations Gen X and Older Millennials will start shopping earlier, whilst Gen Z and Younger Millennials are more likely to leave it to the last minute.



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