



**Euromonitor  
International**

# Hot Drinks in Australia

November 2025

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### EXECUTIVE SUMMARY

Hot drinks maintain steady value growth amid inflation easing and shifting consumer priorities

### KEY DATA FINDINGS

### INDUSTRY PERFORMANCE

Health, functionality and clean-label trends reshape product development

Ethical sourcing and sustainability strengthen brand positioning

Matcha shifts from niche trend to mainstream staple

### WHAT'S NEXT?

Outlook shaped by stabilising prices, renewed confidence and evolving consumer priorities

Functional reformulation and wellness-led innovation to accelerate

Sustainability set to become a baseline expectation

### COMPETITIVE LANDSCAPE

Nestlé maintains category leadership through breadth, innovation and domestic investment

Coffee stands as the most dynamic category, fuelled by both premium and affordable innovation

### CHANNELS

Supermarkets remain the dominant channel supported by value seeking and private label expansion

E-commerce remains the fastest-growing channel through expanded fulfilment and digitally led retail execution

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### KEY DATA FINDINGS

#### 2025 DEVELOPMENTS

Price-led value growth amid resilient café culture and evolving at-home consumption

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Premiumisation at home and evolving value preferences

Strong momentum in fresh coffee beans

#### WHAT'S NEXT?

Expectations for steady but moderating value growth

Expansion of cold, ready-to-drink, and hybrid coffee formats

Sustainability and ethical sourcing as long-term growth drivers

#### COMPETITIVE LANDSCAPE

Nestlé maintains leadership through convenience, innovation, and café-style experiences

Private label strengthens position through value-led premiumisation

#### CHANNELS

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#### INDUSTRY PERFORMANCE

Tea sees moderate value growth as matcha drives renewed interest among younger consumers

Green tea emerges as the most dynamic category as matcha moves firmly into the mainstream

#### WHAT'S NEXT?

Tea expected to maintain steady value growth, driven by wellness-led innovation  
Gifting culture becomes an increasingly important volume driver across premium tea  
Functionality continues to shape innovation as tea broadens its role in daily wellness routines

COMPETITIVE LANDSCAPE

Twinings maintains leading position through broad portfolio, wellness focus, and strong brand equity  
ITO EN emerges as the most dynamic company, supported by rising matcha demand and localised production

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KEY DATA FINDINGS

2025 DEVELOPMENTS

Inflationary pressure, cocoa volatility, and rising wellness trends shape category performance

INDUSTRY PERFORMANCE

High cocoa prices and health-led consumer behaviour constrain chocolate-based powders  
Matcha latte emerges as the most dynamic segment as functional and lifestyle trends boost appeal

WHAT'S NEXT?

Modest category growth expected despite ongoing commodity volatility and rising competition  
Functional diversification becomes central to category innovation as consumers seek nutritional indulgence  
Sustainability becomes a key lever of differentiation as consumers expect planet-friendly indulgence

COMPETITIVE LANDSCAPE

Nestlé maintains leadership through strong brand equity, domestic production, and functional expansion  
Morning Made accelerates growth through wellness positioning, digital engagement, and national retail expansion

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