

Fiscal Year 2023 Sales Summary

As the first quarter of fiscal year 2024 draws to a close for most U.S. lotteries, and with fiscal year 2023 sales figures fully accounted for, we thought it would be a good time to provide a sales summary of FY2023. In this issue of Data in Motion, we review sales and gross gaming revenue (GGR) for both the instant scratch and terminal-based game categories and share some highlights on how we got there.

Full-Line Sales and Gross Gaming Revenue

While instant scratch game sales were relatively flat year-over-year, terminal-based game sales were \$4.2 billion higher than the prior fiscal year, an increase of 13.7%. The result? An overall increase in full-line sales of 4.5%.

FY2023 U.S. Lottery Sales*

- FY2023 Instant Scratch Game Sales: \$64.3 billion, **Up \$0.1 billion (+0.1%) over FY2022**
- FY2023 Terminal-Based Game Sales: \$34.7 billion, **Up \$4.2 billion (+13.7%) over FY2022**
- FY2023 Full Line Sales: \$99.0 billion, **Up \$4.3 billion (+4.5%) over FY2022**

FY2023 U.S. Lottery Gross Gaming Revenue (GGR)

- FY2023 Instant Scratch Game GGR: \$17.3 billion, **Down \$0.2 billion (-1.4%) versus FY2022**
- FY2023 Terminal-Based Game GGR: \$16.7 billion, **Up \$2.1 billion (+14.4%) over FY2022**
- FY2023 Full Line GGR: \$34.0 billion, **Up \$1.9 billion (+5.8%) over FY2022**

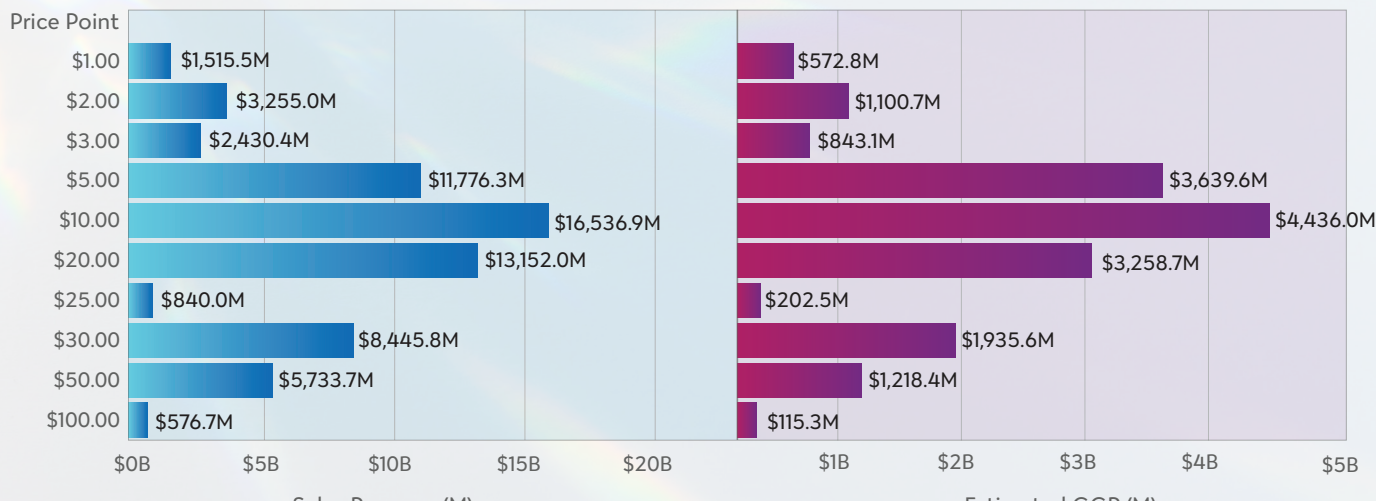
*All figures are based on the first 52 weeks of fiscal year sales. Sales and game attribute data is self-reported across U.S. jurisdictions. Due to missing or incomplete sales data, full line sales for MS and terminal-based game sales for IN, VA, and WY are not included.

The Instant Scratch Game Story

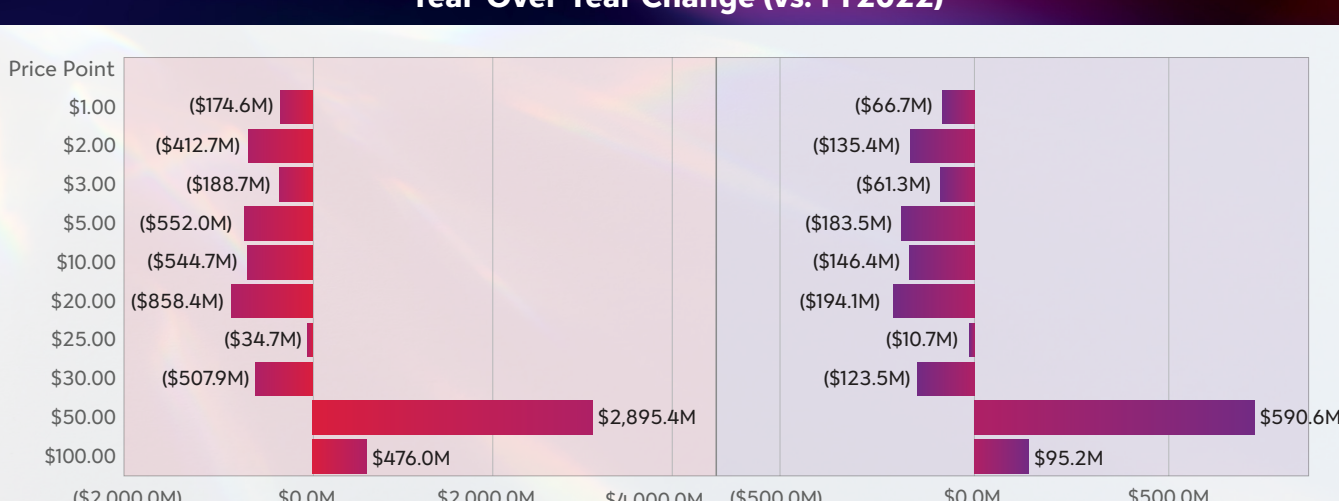
The largest year-over-year growth in FY2023 came from the highest price points: \$50 game sales grew by 102% and \$100 game sales grew by 473%. Together, these two price points contributed an additional \$685.8 million in GGR. Oklahoma joined Texas in offering a \$100 game (the only two jurisdictions to do so), while the number of lotteries offering a \$50 game as their highest price point doubled, going from nine to 18 in FY2023.

The \$10 price point continued to generate the highest percentage of instant scratch game sales at 26%, followed by the \$20 price point (20%) and the \$5 price point (18%). While the \$10 price point accounted for the highest percentage of instant scratch sales, it was the \$5 price point that represented the highest number of overall games in market, making up 25% of the available games in FY2023.

FY2023 Instant Scratch Games Sales and GGR by Price Point

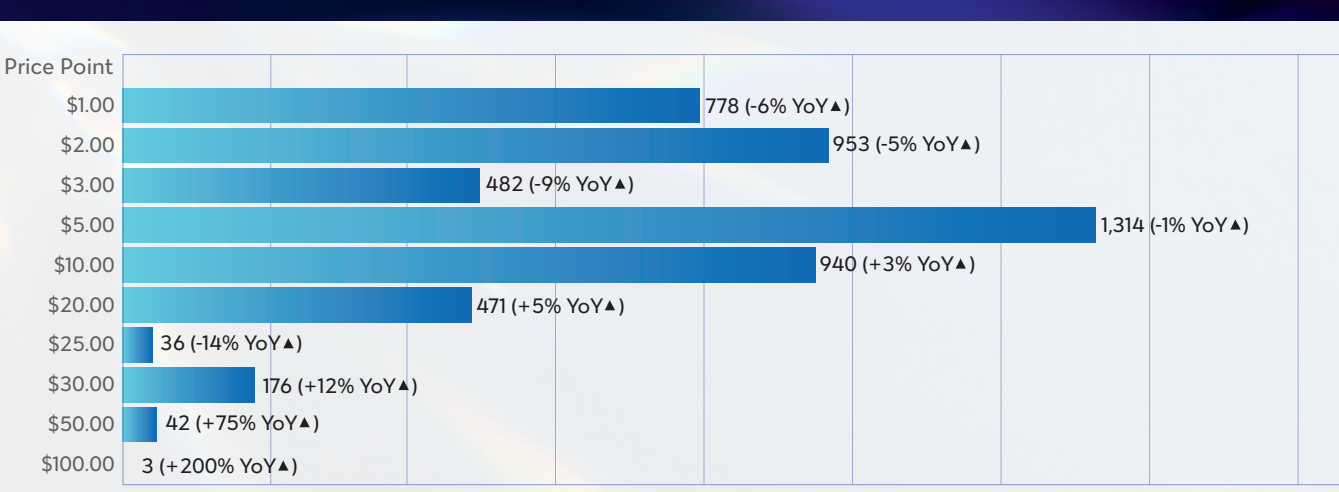


FY2023 Instant Scratch Games Sales and GGR by Price Point – Year-Over-Year Change (vs. FY2022)



Overall, FY2023 had 77 fewer games in-market than the prior year. There were 145 fewer games at the lower price points, while higher price points added 58 games. The mid-level price points were generally flat with an additional 10 games in market.

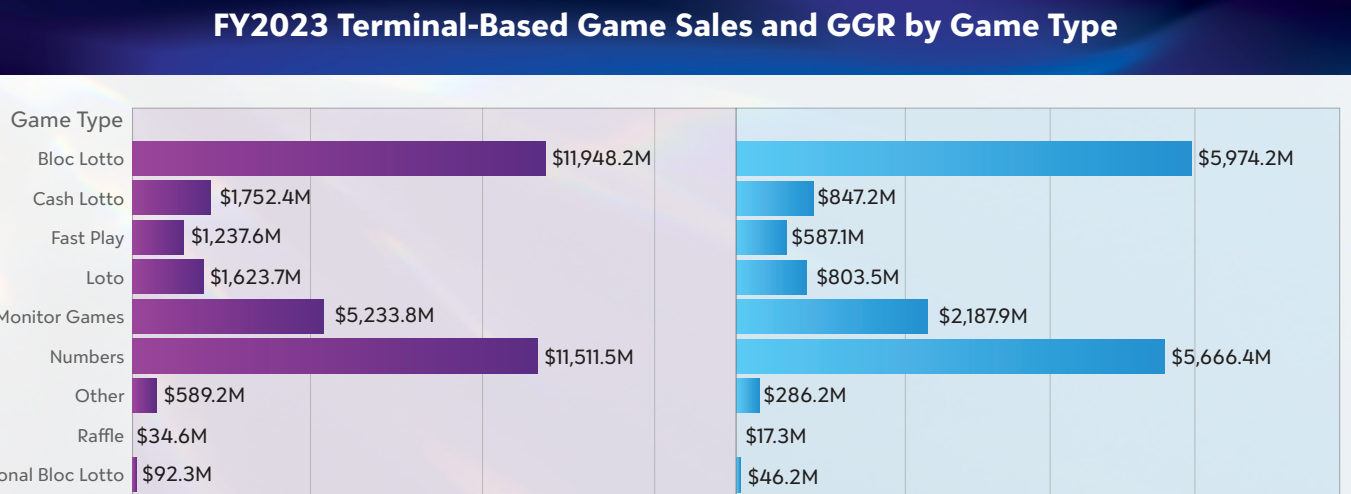
FY2023 Number of Instant Scratch Games in Market by Price Point



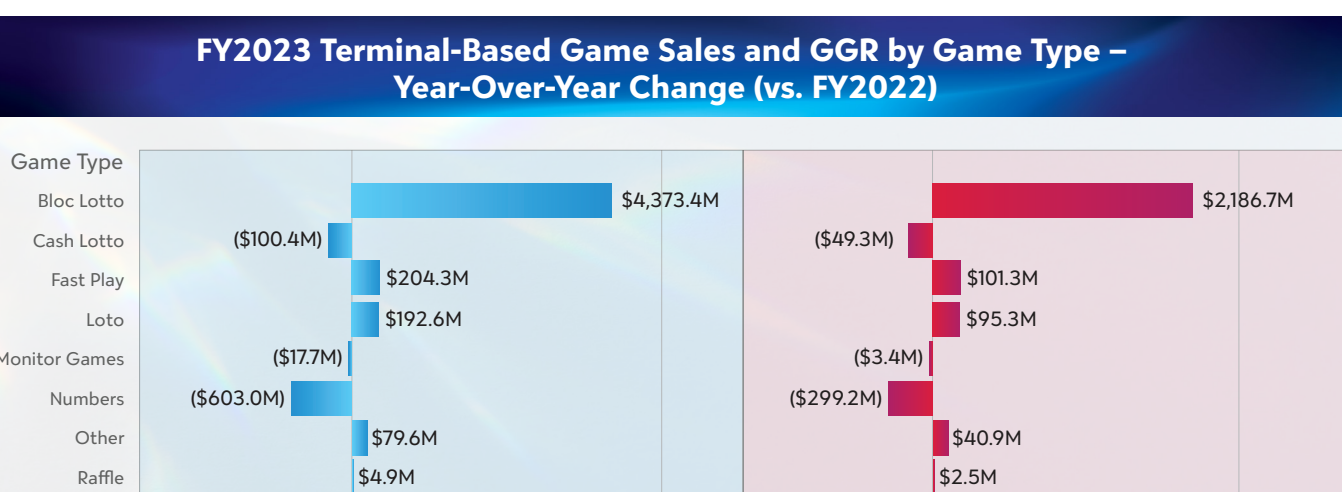
The Terminal-Based Games Story

Bloc Lotto was once again a key driver of this category's growth, adding more to sales and GGR than all other terminal-based games combined. Accounting for 34.5% of FY2023 terminal-based game sales, Bloc Lotto edged out Numbers games (33.2% of FY2023 sales) to be the category leader.

FY2023 Terminal-Based Game Sales and GGR by Game Type



FY2023 Terminal-Based Game Sales and GGR by Game Type – Year-Over-Year Change (vs. FY2022)



Bloc Lotto = Powerball and Mega Millions
Cash Lotto = In-state lotto games with fixed all cash top prize
Fast Play = Terminal-generated instant win games
Loto = In-state lotto games with rolling annualized jackpot top prize
Monitor Games = Rapidly drawn games like Keno, virtual sports, etc.
Numbers = Pick 2, Pick 3, Pick 4 and Pick 5
Other = MUSL's 2by2 and other games with unique attributes
Raffle = Short duration raffle-type game with guaranteed prize tiers
Regional Bloc Lotto = Lotto America
Win For Life = Cash 4 Life and Lucky for Life

Game by Game

Bloc Lotto outperformed the other terminal-based game categories with the highest year-over-year growth rate as well as the largest bottom line growth. Bloc Lotto games added \$4.4 billion in sales versus FY2022 which equated to a 57.7% growth rate. This growth can be largely attributed to some very healthy jackpot runs:

- Two of the five largest Mega Millions jackpots ever won were in FY2023 – an Illinois player won the second highest jackpot ever (\$1.337 billion) in July, a record which would be broken in January by a player in Maine who won \$1.348 billion.
- Powerball had two jackpots ranking in the top five as well. February's \$754.6 million jackpot was won in Washington and was the game's fifth highest jackpot at the time. But it didn't come close to the \$2.04 billion jackpot won a few months earlier in California. That jackpot still holds the current world record for the largest national lottery jackpot ever.

Regional Bloc Lotto was the second-highest growth rate in the terminal-based game category, adding \$31.6 million in FY2023. In April, an Iowa player won the highest Lotto America jackpot ever, \$40.03 million, which had been rolling for nearly two years.

Fast Play was the third-leading driver of sales growth among terminal-based games, adding \$204.3 million for a growth rate of 19.8%. Two additional jurisdictions launched fast play games in FY2023 while more established lotteries in this category continued to offer higher price points and an increased variety of playstyles and jackpot prizes.

Numbers game sales declined in all but seven jurisdictions. The decline in this category may be due to the return of pre-pandemic purchasing patterns for Numbers players.

Monitor games ranked third in draw market share accounting for 15.1% of terminal-based game sales. This category continues to show signs of rebounding after the COVID-19 pandemic on a same-store basis. Many social establishments that offer monitor games, however, have struggled to remain open due to decreased labor force and supply chain issues.

Final Word

As long-time readers of Data in Motion know, we do two year-end summaries – one for the fiscal year and one for the calendar year. So be on the lookout in early 2024 for a year-end summary of calendar year 2023. And we will continue to provide the occasional sales snapshot of individual product lines such as fast play games, licensed property games, iLottery, and more. Stay tuned!



HEALTHY PLAY
HAVE FUN. DO GOOD. PLAY HEALTHY.

Scientific Games proudly supports Responsible Gaming Education Month, including educating our employees around the world.