

Insights and Data to Help Manage Today's Changing Consumer Environment

With calendar year 2022 sales wrapped up, we thought we'd share some highlights of the year in this issue of Data in Motion. It is worth remembering that the year prior, CY2021, was an extraordinary sales year which shattered all previous sales records. So CY2022 had some mighty big shoes to fill.

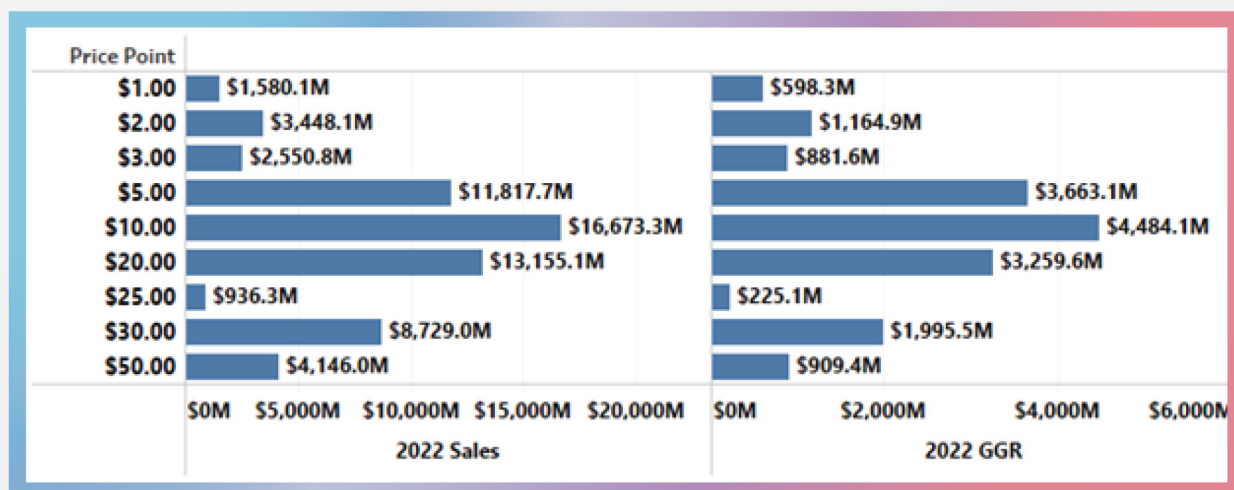
Instant Scratch Game Sales

Up against a record breaking 2021, Instant Scratch Game sales came in at \$63.4 billion for 2022, down \$2.7 billion or 4.0%. Instant Scratch Gross Gaming Revenue (GGR), or sales minus payout, came in at \$17.3 billion, down \$1 billion or 5.4% versus 2021.

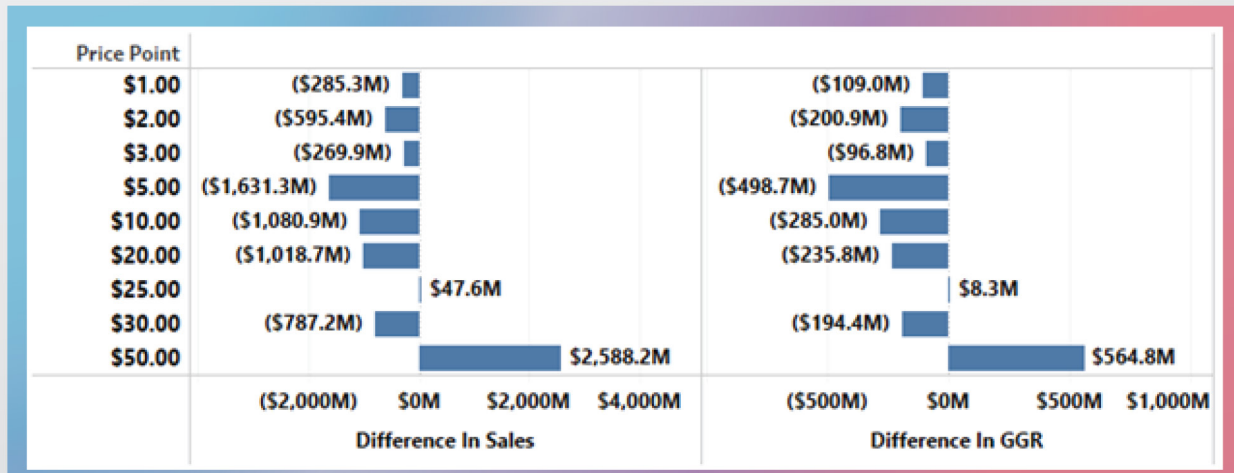
There were 138 fewer instant scratch games in market in 2022 than there were in 2021, a decline of 2.6%. Most of this decline came from the lower price points which had 196 fewer games. As players continue to gravitate towards higher price points (HPP), lotteries responded by launching HPP options: there were 61 more HPP games (\$20+) in market in 2022 versus 2021.

The \$10 price point had 35 more games in market than in 2021 and continued to make up the largest percentage of total sales at 26.0%. Sales at the \$10 price point, however, were down 6.1% versus 2021. The largest growth came from the \$50 price point which grew sales by \$2.6 billion (166%) compared to CY2021. Eight lotteries launched games at the \$50 price point in CY2022, bringing the total games in market to 28, an increase of eight games versus CY2021.

CY2022 Instant Games Sales and Gross Gaming Revenue by Price Point



Instant Games Sales and Gross Gaming Revenue by Price Point – Year-Over-Year Change



Terminal Based Game Sales

The news from the Terminal Based (Draw) Game side was a bit brighter – sales grew by \$1 billion over CY2021 to hit \$34.3 billion, an increase of 3%. Most of this sales growth came from Bloc Lotto which had its most successful year ever at just under \$11 billion thanks to some eye-popping jackpots. In July, Mega Millions had its second largest jackpot in the game's 20-year history when one lucky Illinois player won \$1.337 billion. In November, the Powerball jackpot reached \$2.04 billion and was won by a single player from California. Prior to that, the largest Powerball jackpot had been \$1.586 billion (2016) and was shared by three winners.

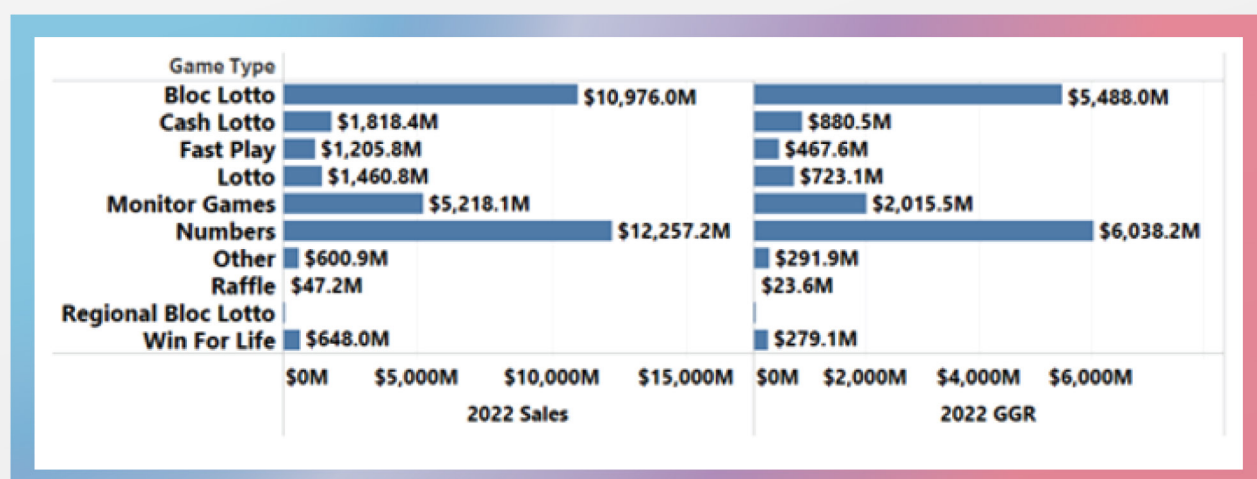
At \$12.3 billion, Numbers games were the largest contributor of sales to the Terminal Based Game category, but still saw a \$1.1 billion decline versus CY2021.

Monitor Game sales, which came in at \$5.2 billion, were flat overall but would have been down if not for Massachusetts. Massachusetts, which lifted various COVID restrictions enabling the return to social establishments in 2022, increased their Monitor Game sales by \$28.6 million over 2021 and were responsible for 23% of Monitor Game sales overall.

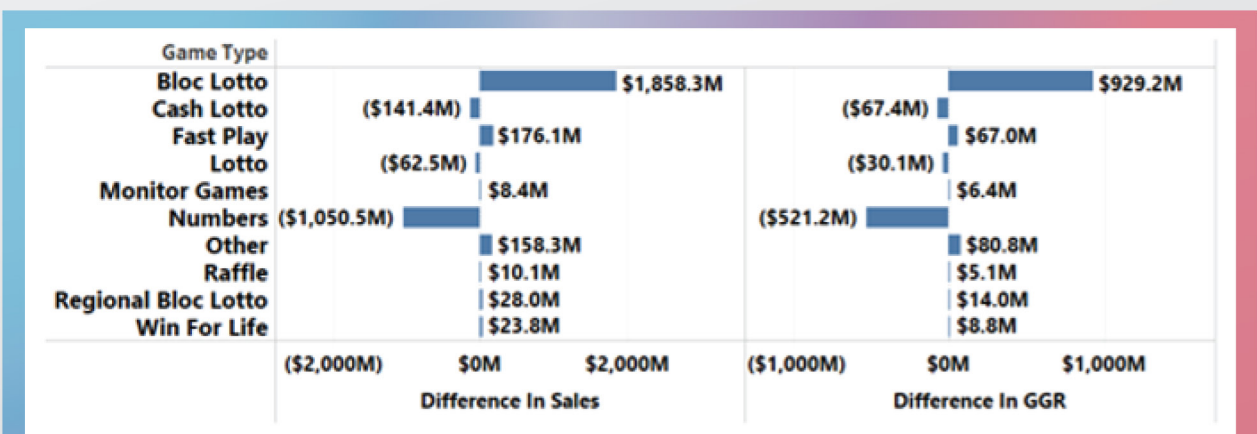
Regional Bloc Lotto sales had the highest growth rate of all Terminal Based Game categories, with 49.9% more sales in CY2022. Tennessee and Minnesota led the way, bringing in over \$14 million in sales each and contributing 37.1% to the category.

Fast Play grew sales by 17.1% thanks in part to Illinois and Ohio which made up 38.4% of total Fast Play sales for CY2022. Illinois grew sales by \$188.85 million over 2021.

Terminal Based Game Sales and Gross Gaming Revenue by Category



Terminal Based Game Sales and Gross Gaming Revenue by Category – Year-Over-Year Change



Final Word

Full Line sales (Instant Scratch + Terminal Based Game sales) came in at \$97.7 billion for CY2022, a decline of \$1.7 billion or 1.7%. Full Line Gross Gaming Revenue came in at \$33.8 billion, a decline of \$458 million or 1.3%. But as we stated at the outset, 2022 had some big shoes to fill, and if you were to track Full Line sales over the long term (previous 10 years), CY2022 fell right in line with where we as an industry would hope to be.