



# Director's Comments

Presentation to  
California State Lottery Commission  
November 21, 2019

Director's Report 6A

# Sales Update: All Games Except Powerball & Mega Millions Ahead of Last Year

| <u>Category</u>                        | <u>FY Sales thru 11-16-19<br/>(in millions)</u> | <u>% of<br/>Goal</u> | <u>Change vs.<br/>Last Year</u> |
|--|---|----------------------|---------------------------------|
| <b><u>TOTAL SALES</u></b>              | <b><u>\$2,506.12</u></b>                        | <b><u>93%</u></b>    | <b><u>-12%</u></b>              |
| <b>Scratchers<br/>(Consumer Sales)</b> | \$1,909.98                                      | 97%                  | 4%                              |
| <b><u>Multi-State Games</u></b>        | <b><u>\$225.09</u></b>                          | <b><u>64%</u></b>    | <b><u>-66%</u></b>              |
| Powerball                              | \$100.78  | 57%                  | -51%                            |
| MEGA Millions                          | \$124.31  | 70%                  | -72%                            |
| <b>SuperLotto Plus</b>                 | \$101.18  | 96%                  | 1%                              |
| <b>Daily Games</b>                     | \$146.22  | 102%                 | 4%                              |
| <b>Hot Spot</b>                        | \$123.65  | 104%                 | 10%                             |



# Fiscal Year-to-Date Estimated Profits Short of Goal by \$47 million

- Total year-to-date sales of \$2.5 billion are just \$184 million below goal or 93% of goal
- Profits are at 91% of YTD Goal
- Profits are further behind goal than sales due to the larger shortfall in Draw Game sales (which are more profitable)

| As of 11-2-19      | % of Goal |
|--------------------|-----------|
| Total Sales        | 93%       |
| Total Profits      | 91%       |
| Scratchers Profits | 98%       |
| Draw Game Profits  | 81%       |



# Lower Jackpots = Lower Draw Sales and Profits

| Multi-State Game Jackpot Levels | Expected Jackpots in FY20 | Number of Jackpots as of 11-17-18 | Number of Jackpots as of 11-16-19 |
|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|
| \$40-99MM                       | 87                        | 25                                | 45                                |
| \$100-\$199MM                   | 63                        | 23                                | 33                                |
| \$200-\$299MM                   | 34                        | 13                                | <u>2</u>                          |
| \$300-\$399MM                   | 13                        | 8                                 | 0                                 |
| \$400-\$499MM                   | 7                         | 4                                 | <u>0</u>                          |
| \$500MM+                        | 4                         | 7                                 | <u>0</u>                          |

- Between Mega Millions and Powerball, there has only been 2 jackpots over \$200MM
- By this time last year, we had 32 draws; including 2 at \$1B+



# Scratchers Sales Below Goal but Better than Last Year

- Total year-to-date Scratchers sales are just shy of \$2 billion and are 4% higher than last year
- The summer sales decline we typically see was not as severe as last summer
- And, we are entering some of our highest selling months of the year
- The recent \$20 game is a strong performer



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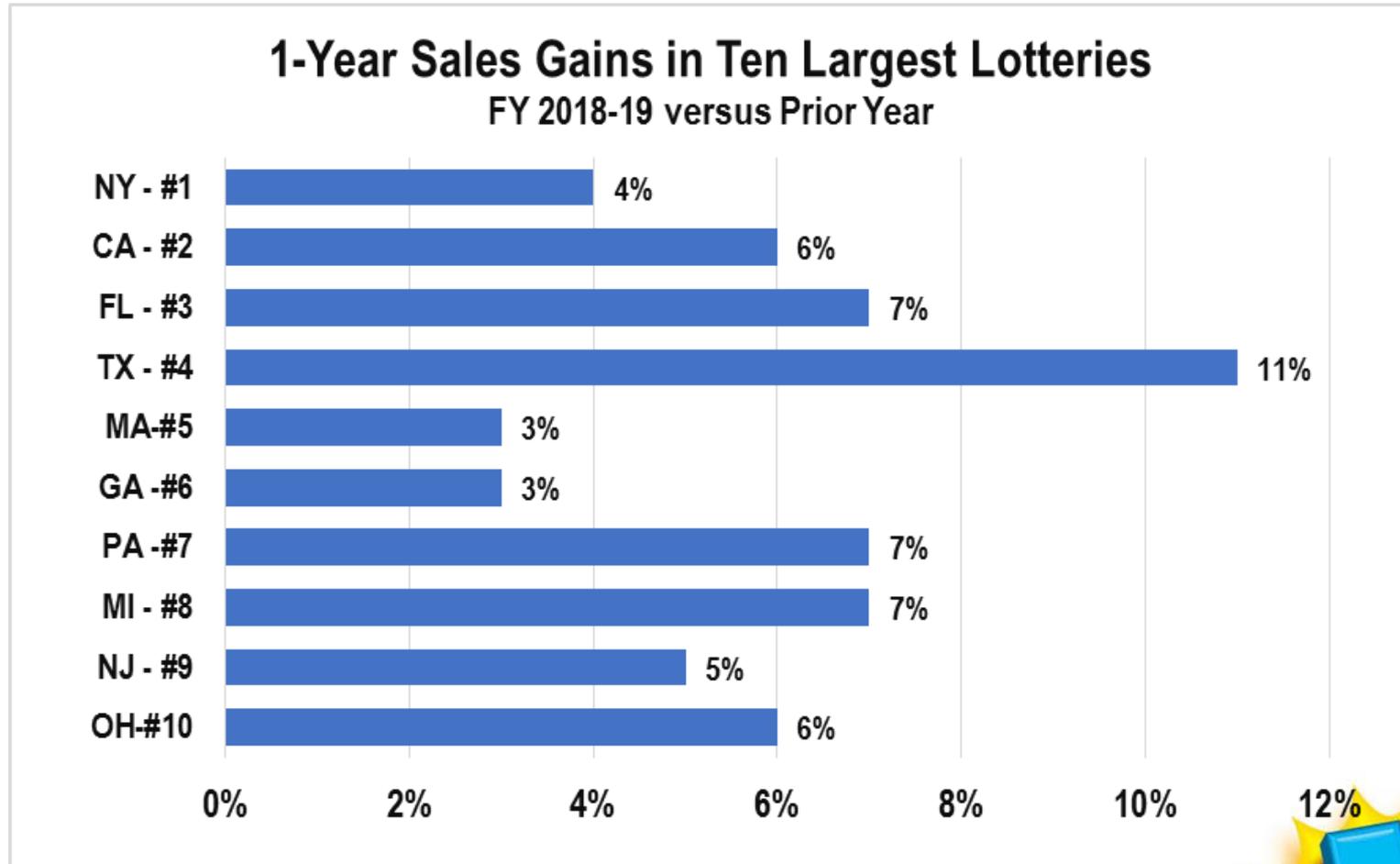
# FY 2018-19

## U.S. Lottery Industry Review

- CA Total Sales (unaudited): \$7.39 billion
- Ranked 2<sup>nd</sup> in Total Sales behind NY but closing the gap
  - In FY 2014-15, CA was \$1.73 billion behind NY
  - In FY 2015-16, CA was \$1.45 billion behind NY
  - In FY 2017-18, CA was \$962 million behind NY
  - In FY 2018-19, CA less than \$840 million behind NY



# California's 6% Growth Higher than NY but Lower than FL and TX



# FY 2018-19 U.S. Lottery Industry Review (cont.)

## Other Rankings:

- CA Instant Ticket Sales: 1<sup>st</sup> Place ranking
- CA MEGA Millions Sales: 1<sup>st</sup> Place ranking
- CA Powerball Sales: 1<sup>st</sup> Place ranking
- CA In-State Lotto: 2<sup>nd</sup> Place ranking (FL is #1)
- CA Hot Spot Sales: 6<sup>th</sup> Place ranking (MA is #1)
- CA Total Lottery Sales Per Capita: \$187 (25<sup>th</sup> rank)



# CA Just Below the U. S. Median for Per Capita Sales

Traditional Sales: Per Capita Sales by State (FY 2019)

