



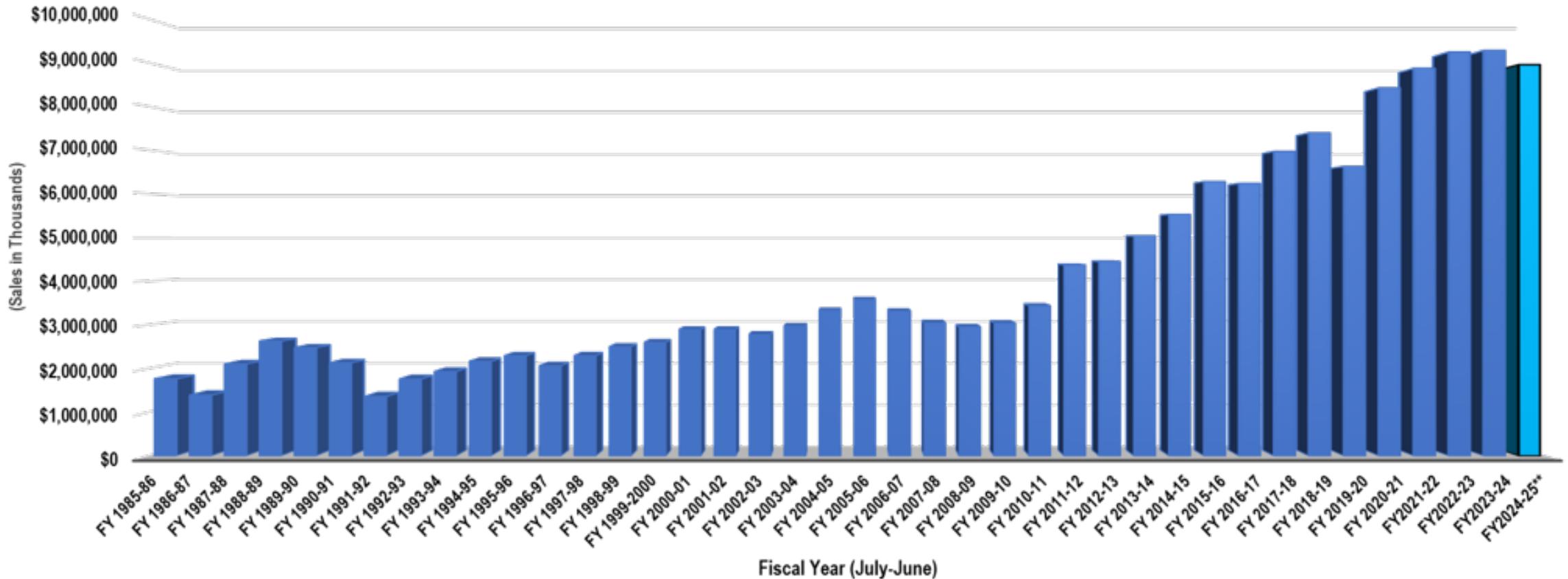
Lottery Business Review Highlights

Presented to California State
Lottery Commission

November 20, 2025

After years of tremendous growth, sales have been flat in recent years

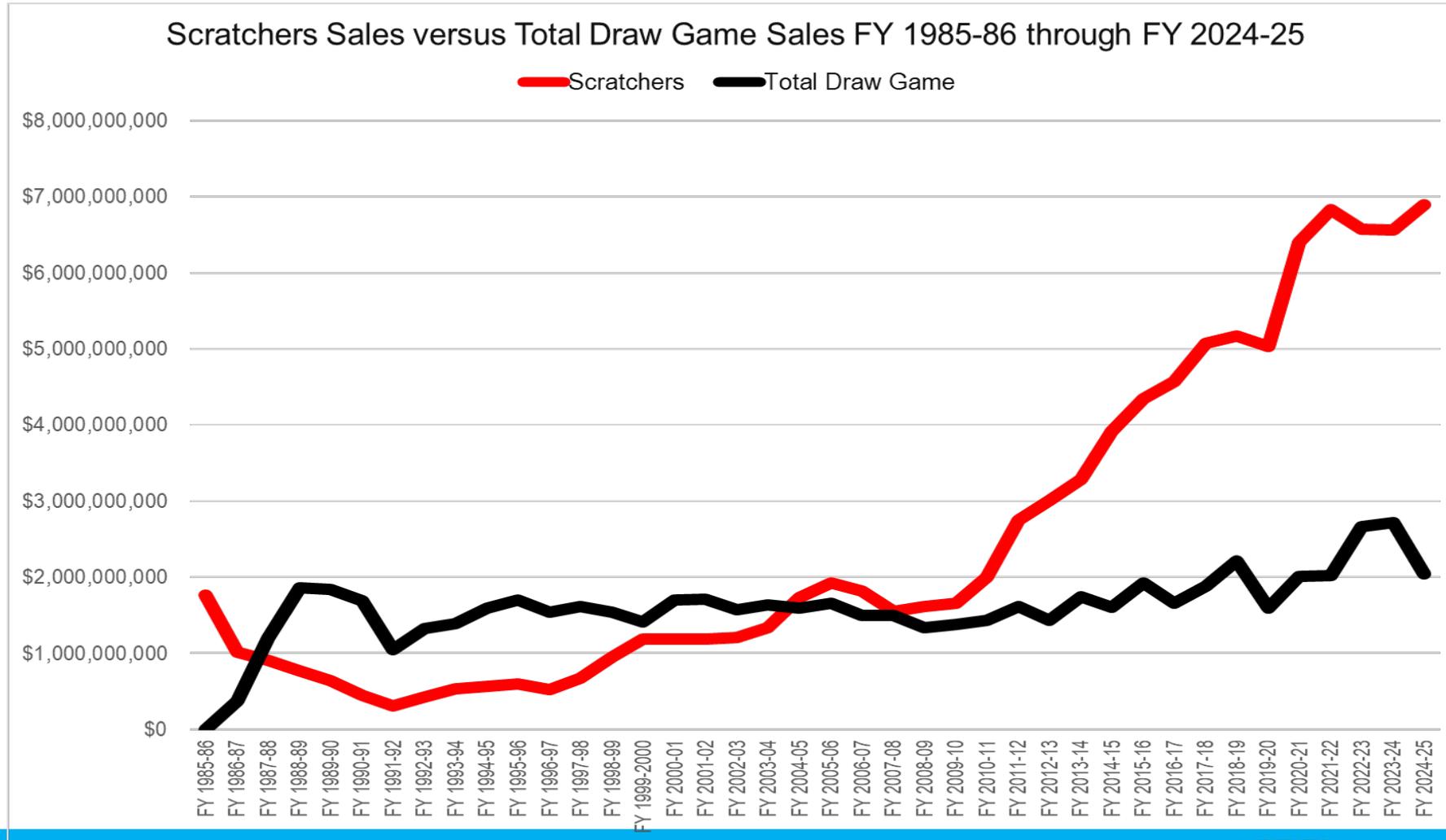
Total Lottery Sales - History Since Inception



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Growth over the past dozen years have been fueled by gains in Scratchers sales



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Recent years have seen large swings in Jackpot Game Sales tied to number of very large jackpots

Number of Large Jackpots and Game Sales by Fiscal Year

	FY 18-19	FY 19-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
FY Sales							
Mega Millions	\$736 million	\$359 million	\$529 million	\$373 million	\$793 million	\$705 million	\$551 million*
Powerball	\$521 million	\$297 million	\$408 million	\$570 million	\$750 million	\$891 million	\$408 million*
Combined MM & PB	\$1,257 million	\$567 million	\$937 million	\$943 million	\$1,543 million	\$1,596 million	\$959 million*
Combined Sales Goal	\$980 million	\$925 million	\$776 million	\$837 million	\$910 million	\$915 million	\$1,175 million

of Draws with the Indicated Jackpot Size

Combined MM & PB							
\$500 million - \$699 million	7	0	5	8	13	30	10
\$700 million - \$999 million	2	0	3	0	7	21	4
\$1 billion or more	2	0	1	0	7	13	2

* Sales information from FY 2024-25 has not been audited



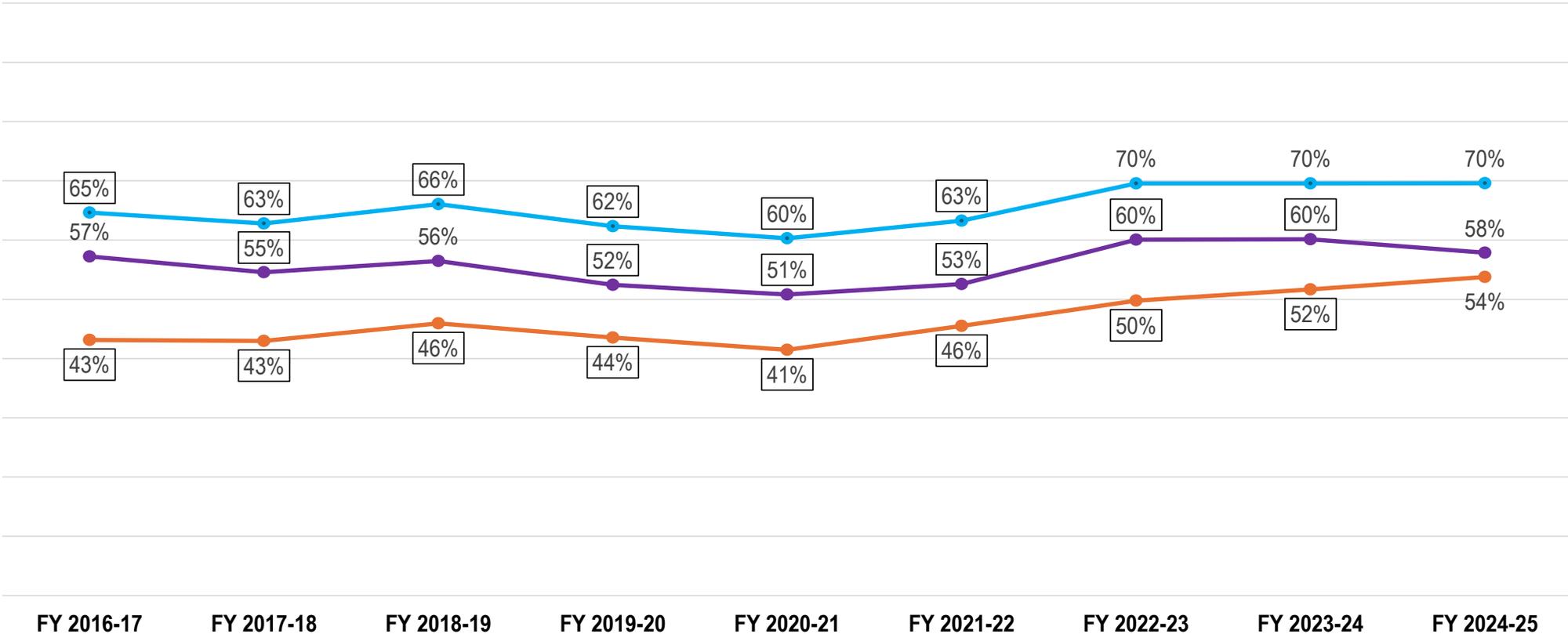
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Overall playership remains strong as 7 in 10 CA adults have played a Lottery game in the past year

FY Lottery Playership Over Time - All Games, Scratchers and Jackpot Games

● All Lottery Games ● Scratchers ● Jackpot Games



Source: CA Lottery's Communications Effectiveness Tracking Study, FY 2024-25
 Box indicates value is statistically different from FY 2024-25 at 90% confidence level.



Player Spending figures declined in FY 2024-25; However, average player continues to spend about \$8 per week

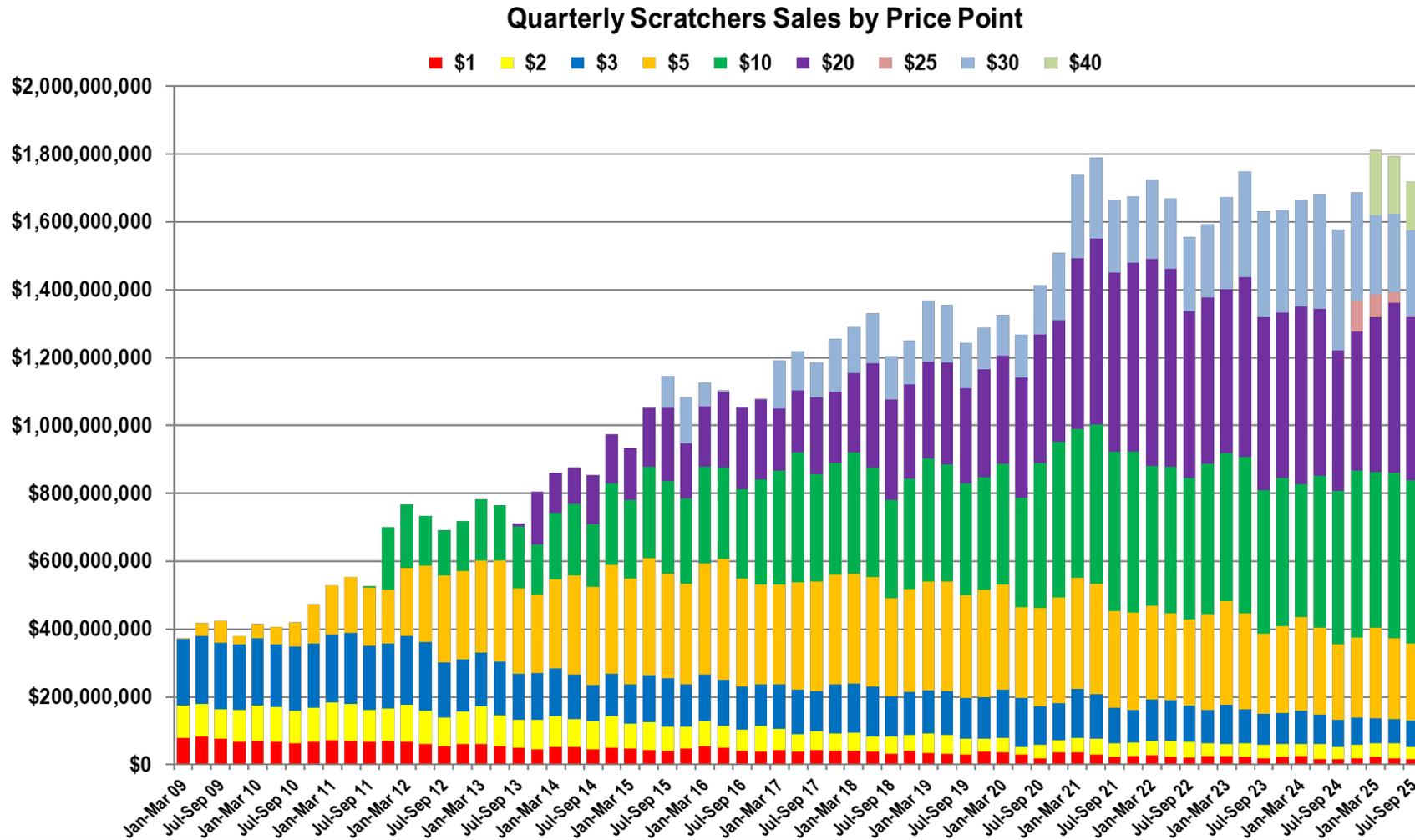
	FY 2025				FY 2024		
	Past Year Play ¹	Est. Number of CA Adults ²	Sales ³	Annual Sales per Player	Weekly Average	Annual Sales per Player	Weekly Average
Any Lottery Game	70%	21,283,188	\$8,949,096,123	\$420	\$8.09	\$443	\$8.51
Scratchers	54%	16,443,181	\$6,908,775,897	\$420	\$8.08	\$422	\$8.11
MEGAMillions	49%	14,880,804	\$551,017,293	\$37	\$0.71	\$47	\$0.90
SuperLotto Plus	43%	13,281,737	\$230,724,285	\$17	\$0.33	\$20	\$0.38
Powerball	44%	13,477,416	\$408,083,638	\$30	\$0.58	\$63	\$1.21
Hot Spot	14%	4,194,876	\$424,355,620	\$101	\$1.95	\$106	\$2.04
Fantasy 5	21%	6,301,487	\$176,228,766	\$28	\$0.54	\$31	\$0.59
Daily 3	16%	4,797,202	\$177,928,331	\$37	\$0.71	\$44	\$0.84
Daily 4	13%	4,118,439	\$35,915,331	\$9	\$0.17	\$9	\$0.18
Daily Derby	13%	3,864,667	\$36,066,962	\$9	\$0.18	\$8	\$0.16

Sources:

- 1) Tracking Study - FY 2025 blended sample
- 2) California Department of Finance, P3 Report, 2020 Projection, September 2024 Release
- 3) Fiscal Year 2025 game sales from Finance



Higher Price Point Scratchers fueled growth over the years



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Results from Key Strategies and Programs



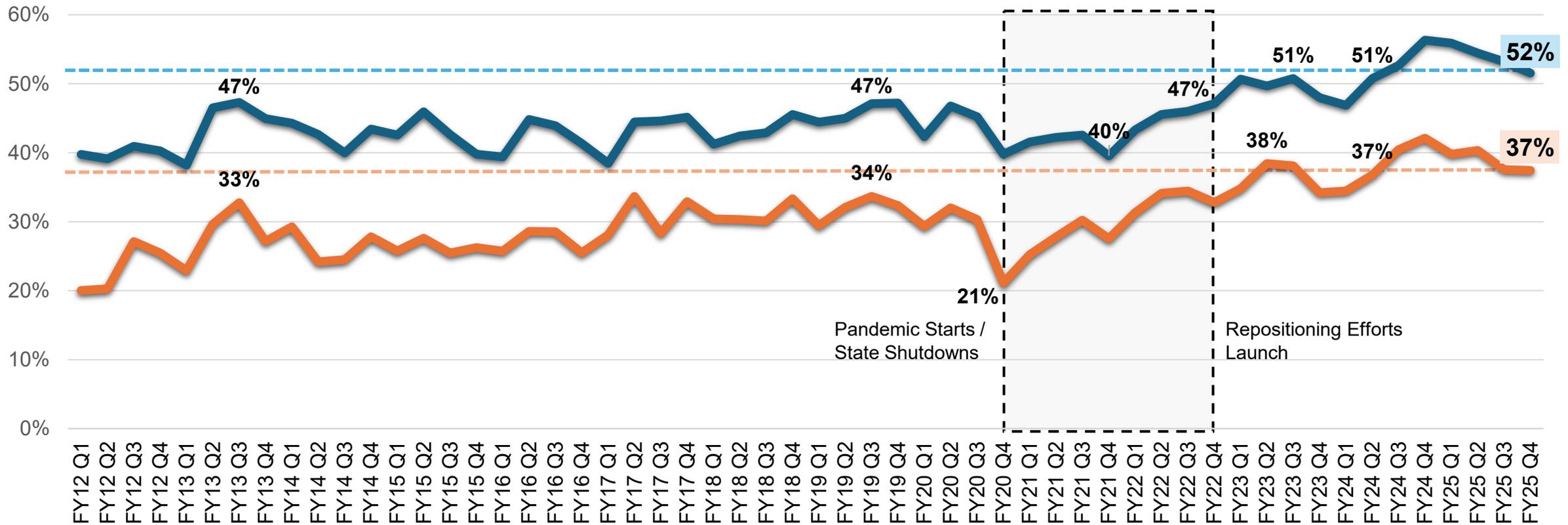
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Scratchers past year playership holding above 50% after a few years of the Scratchers Category Repositioning Effort

Scratchers Playership by Fiscal Year Quarter

— Played in Past Year - Scratchers
 — Played in Past Month - Scratchers



% Of CA Adults
 Source: Communications Effectiveness Tracking Study



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Scratchers Category Repositioning Efforts are improving perceptions of Scratchers and the Lottery

Percent of CA Adults who agreed (8,9,10) to the statement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
It's fun to play Lottery games.	36%	35%	40%	38%	43%	39%	44%
Playing Lottery games is worth the money just for the entertainment.	27%	26%	30%	30%	33%	29%	33%
Playing [Scratchers] is worth the money, just for the entertainment.	39%	39%	46%	44%	41%	40%	45%
The Lottery is now offering unique types of Scratchers games.	45%	43%	48%	47%	44%	43%	48%
I feel guilty about spending money on Scratchers.				30%	29%	26%	27%
Scratchers are an easy form of fun.				40%	40%	40%	43%
Scratchers help show how easy it can be to add fun in your life.				31%	33%	32%	36%
Scratchers are fun, even if I don't win.				33%	34%	33%	37%

Source: Communications Effectiveness Tracking Study

Blue box – SCRE started Sept 2021.

Red font/orange box indicate statistically significant higher/lower to FY2025 at 90% confidence level.



Awareness of the Lottery's beneficiary significantly increased due to the Education Campaign

Statewide

Beneficiary Awareness

	Aug/Sep 2023 A	Aug/Sep 2024 B	Jan/Feb 2025 C	May/Jun 2025 D	Aug/Sep 2025 E
Knows Lottery beneficiary	36%	34%	42%	41%	40%
			AB	AB	AB
Doesn't know/Thinks the Lottery beneficiary is something else	64%	67%	58%	59%	60%
	CDE	CDE			

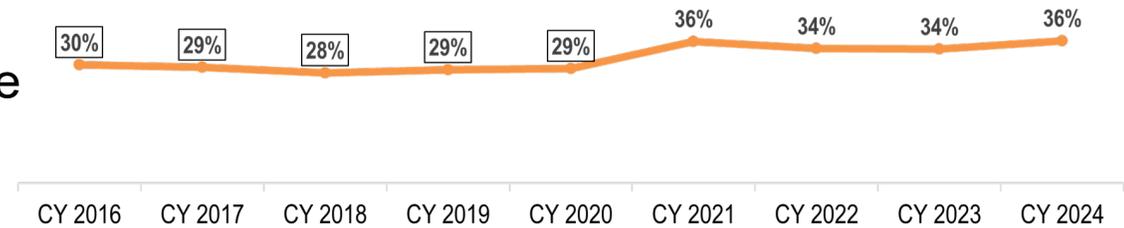
- 1) January 2024: Start of the Mission Education Campaign
- 2) Full support in Fresno and San Diego launched January 2024.
- 3) Statewide Social support launched January 2024.
- 4) Reported with sample boost.

Statewide, beneficiary awareness for the 6th flight was 40%, on par with the past two flights and significantly above 2024 and 2023 for the same period.

Corporate Attitudes towards the Lottery organization have also improved over past few years

- More CA adults express positive sentiments on:
 - Playing Lottery helps schools and education
 - The Lottery is committed to the community
 - Lottery dedicated to supporting education
 - Prizes are paid honestly and fairly
 - They hear about winners from their part of the state

Playing Lottery Games helps schools and education.
Percent of California adults who agree



Corporate Attitudes Over Time

% of CA adults who agreed strongly with statement (8,9,10)	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
I hear about winners from my part of the State of California.	26%	29%	28%	28%	27%	30%	32%	33%	34%
There are new things happening at the Lottery.	25%	24%	25%	24%	24%	29%	30%	29%	30%
The way Lottery prizes are paid is honest and fair.	31%	35%	37%	35%	36%	35%	35%	36%	38%
I trust the Lottery.	26%	28%	29%	29%	31%	32%	30%	32%	34%
The Lottery is dedicated to supporting education.	25%	27%	27%	29%	29%	34%	31%	33%	35%
The Lottery is committed to the community.	19%	22%	22%	25%	27%	30%	27%	27%	31%



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Success of \$40 Scratchers Game

- In its first 12 weeks the first \$40 game, brought in 50% more in profits than the last \$30 game launched in its first 12 weeks
- The \$40 game sold more than \$220 million in sales during its first 12 weeks.
- Almost one-third of Scratchers players bought the \$40 game, on par with trial for a typical \$30 game
- It was seen as unique and improved perceptions of Scratchers overall



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U. S. Lottery Industry Insights



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CA Continues as 2nd Largest Lottery in U. S.

- California finished FY24–25 at \$8.94B, ranking 2nd in total sales for the 5th straight year.
- The gap behind Florida increased to \$183.8 million in FY25 – compared to \$133 million last year.
- Q4 was the key reason for the larger gap. FL outsold CA by \$146 million in that period

State	FY 2024-25 Total Traditional Lottery Sales	Rank in FY 2023- 24 Total Sales	Rank in FY 2024- 25 for Instant Sales	Rank in FY 2024- 25 Terminal Game Sales
#1 Florida	\$ 9,132.9	#1	#2	#2
#2 California	\$ 8,949.1	#2	#1	#4
#3 Texas	\$ 7,912.3	#3	#3	#10
#4 New York	\$ 7,812.0	#4	#4	#1
#5 Massachusetts	\$ 5,936.5	#5	#5	#5
#6 Georgia	\$ 5,143.0	#6	#6	#7
#7 Michigan	\$ 4,533.7	#8	#10	#3
#8 Ohio	\$ 4,376.3	#9	#9	#6
#9 Pennsylvania	\$ 4,360.5	#7	#7	#12
#10 North Carolina	\$ 3,987.7	#10	#8	#13



Source: All Industry Sales data is from LaFleur's Magazine Sept/Oct 2025 edition; Traditional Sales excludes VLT's
 Note: CA Lottery sales provided to LaFleur's were very preliminary, unaudited figures for FY 2024-25

CA now leads U. S. in Instant Ticket Sales

- CA Scratchers sales were the highest of all lotteries, moving into the #1 spot after being #3 last fiscal year.
- CA posted the 2nd-largest increase in Scratchers sales among all U. S. lotteries.
- More than half of all states had sales declines for Instant Tickets
- 8 of the top 10 lotteries had a \$50 ticket or higher with TX having the highest at \$100
- CA per capita sales for Instant Tickets are towards the middle of all U. S. lotteries; lowest among the Top 10

State	FY 2024-25			
	Instant Ticket Sales	% Change from Prior FY	Highest Price Point	Rank in PC Instant Sales
California	\$ 6,908.8	5.3%	\$40	#19
Florida	\$ 6,835.8	3.3%	\$50	#3
Texas	\$ 6,434.4	-3.2%	\$100	#12
New York	\$ 4,339.8	-0.8%	\$30	#9
Massachusetts	\$ 3,956.0	-1.4%	\$50	#1
Georgia	\$ 3,373.0	-2.4%	\$50	#2
Pennsylvania	\$ 2,911.0	-6.2%	\$50	#8
North Carolina	\$ 2,842.0	-2.7%	\$50	#5
Ohio	\$ 2,429.8	1.9%	\$50	#13
Michigan	\$ 2,282.0	-1.6%	\$50	#7

Source: All Industry Sales data is from LaFleur's Magazine Sept/Oct 2025 edition; Traditional Sales excludes VLT's

Note: CA Lottery sales provided to LaFleur's were very preliminary, unaudited figures for FY 2024-25

Note: e-Instants are not included in Instant Ticket Sales



CA in the middle for Per Capita Total Sales

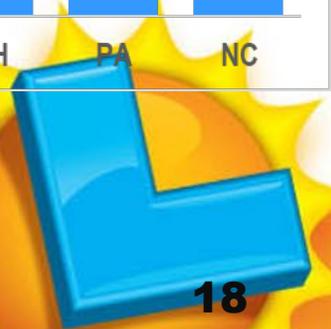
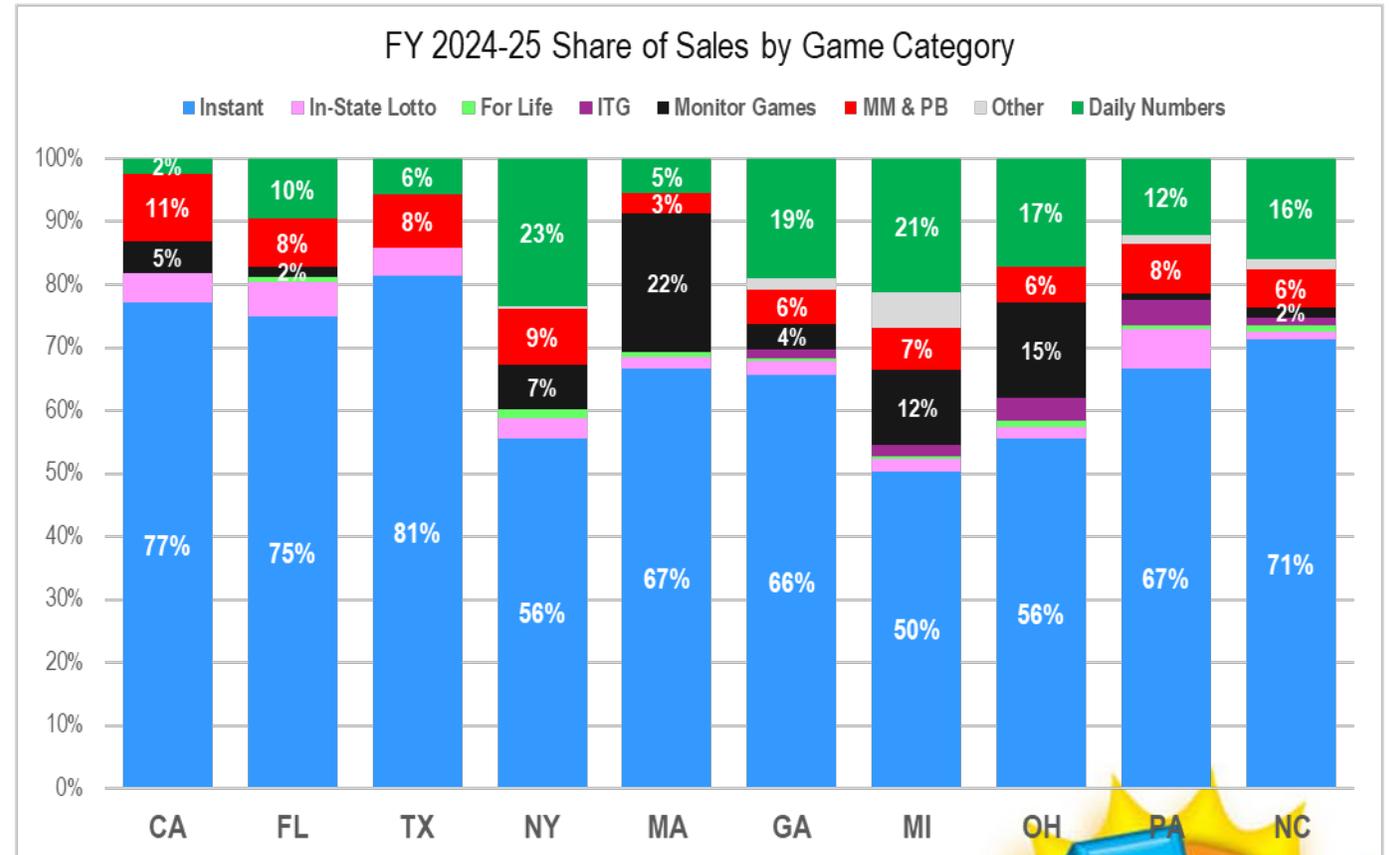
- Per Capita sales in CA (defined as: sales / total population) were \$227
- This represents the 24th best per capita sales – roughly in the middle of all U. S. lotteries.
- Massachusetts is #1 in Per Capita sales – selling at over 3.6 times the rate in CA
- For Instant Ticket sales, CA ranks #19 in per capita sales

State	FY 2024-25		Rank in PC Sales
	Total Traditional Lottery Sales	Annual Per Capita Sales	
#1 Florida	\$ 9,132.9	\$ 391	#7
#2 California	\$ 8,949.1	\$ 227	#24
#3 Texas	\$ 7,912.3	\$ 253	#19
#4 New York	\$ 7,812.0	\$ 393	#6
#5 Massachusetts	\$ 5,936.5	\$ 832	#1
#6 Georgia	\$ 5,143.0	\$ 460	#2
#7 Michigan	\$ 4,533.7	\$ 447	#3
#8 Ohio	\$ 4,376.3	\$ 368	#9
#9 Pennsylvania	\$ 4,360.5	\$ 333	#13
#10 North Carolina	\$ 3,987.7	\$ 361	#11



CA has largest share of sales from Multi-State Jackpot Games

- All top selling states have half or more of their sales from Instant Tickets
- CA has a bigger share coming from Mega Millions and Powerball
- This information can reveal potential opportunities for growth



Other Industry Rankings

In addition to being #2 in Total Lottery sales, and #1 in Instant Ticket sales, CA was also.....

- #1 state for Mega Millions sales
- #1 state for Powerball sales
- However, CA was #6 for Monitor Games sales
- CA will likely be 2nd in the nation in terms of estimated contributions to its beneficiary



Playership Insights of other Top Lotteries

- Survey to determine playership levels in other U. S. lotteries
- For Scratchers, our rate of past year playership was higher than found in TX and on par with the levels in FL, NY, MA, GA, and other Top 10 selling states
- For Jackpot Games, past year play in CA had similar levels in other top lotteries, except for NY, which had a statistically higher rate of playership.

