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THINGS

U.S. LOTTERIES  
NEED TO KNOW ABOUT

01

U.S. iLottery Market Size (2017):

Est. **\$538** Million in Handle

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U.S. Market Projections:

iLottery Handle Can Grow to **\$5.2 Billion**  
in the Next Five Years

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iLottery Games  
Differ from  
Traditional  
Instant Games in  
**5 Key Areas**

	Traditional Instant	iLottery Games
PRIZE PAYOUTS	71%	UP TO 90+%
PROFIT MARGINS	~29%	~10%
GAME INTRODUCTION RATE	5 WEEKS	2 WEEKS
MARKETING METHOD	1:MANY	1:1
PLAYER BASE	OLDER	YOUNGER

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WHO'S  
IN  
SO FAR

- Georgia
- Illinois
- Kentucky
- Michigan
- New York
- North Carolina
- North Dakota
- Pennsylvania
- Virginia

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"With 184 million+ digital buyers in the U.S., it's clear the internet has reshaped how businesses engage their customers. Lotteries will continue to see increasing competition from other forms of digital gaming and entertainment. To protect future beneficiary funding, lotteries can leverage their brands' power and integrity to engage digitally with current and new generations of players. As the global leader in digital loyalty, promotional and iLottery games, technology and services, we are ready to help lotteries achieve their business goals."

– Pat McHugh, Senior VP Global Lottery Systems,  
Scientific Games

# iLOTTERY

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## iLottery Insights:

- iLottery **Attracts Younger Adult Players** – 39 yr. old males/females (MI)
- **Mobile is Preferred** - 87% of bets (PA)
- **Debit Cards are Preferred** Funding Method – 77% (PA)



## SG is Well-positioned to be a Leader in the iLottery Space:

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**PROVEN** industry-leading interactive managed programs across loyalty, promotions, second-chance, mobile & web

**TRUSTED** responsible gaming tools established working with WLA customers with a player account management, iLottery or sports solution



SCIENTIFIC GAMES

Industry, leading digital content **AGGREGATOR** system

**DYNAMIC** digital expertise across lottery, sports and gaming drives effective player engagement

Largest **SINGLE SOURCE** of digital content across iLottery, iGaming and sports betting verticals

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## SG Managed Service Expertise:

- Registered Players – **100M+**
- Impressions – **2.5B** per month
- Clicks – **200M+** per month
- New Users – **2M+** in 2017 alone

## Best Practices in iLottery Vendor Selection:

- Proven **PLATFORM** vetted in regulated markets
- In-house **CONTENT** and aggregator for 3rd party content creates a powerful game portfolio with reach across a wide set of demographics
- Extensive **MARKETING** and **CRM TOOLS** and expertise to attract and retain players with effective campaigns and bonusing
- Key **MANAGED SERVICES** for customer service, payment processing, identity and location verification
- **AFFILIATE** programs providing monetary incentives to retailers for encouraging players to register and deposit
- Established and trusted **RESPONSIBLE GAMING** tools

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## How to Get Started:

**Stakeholder Engagement** – plan to drive advocacy, define legislative and policy needs

**Business Plan** – payouts, products, strategies for retail

**Vendor Expertise** – capability, scalable, integrity, proven

**Player Engagement** – leverage digital assets, marketing, reach new players



### SOURCES:

1. Public reports and Scientific Games forecast based on industry sales performance.
2. Scientific Games forecast based on industry sales performance.
3. La Fleur's 2017 World Lottery Almanac and Scientific Games internal estimates.
5. Roundup: Path to Purchase Beyond the Retail Vertical 2017, published by eMarketer.
6. iLottery sales data.