

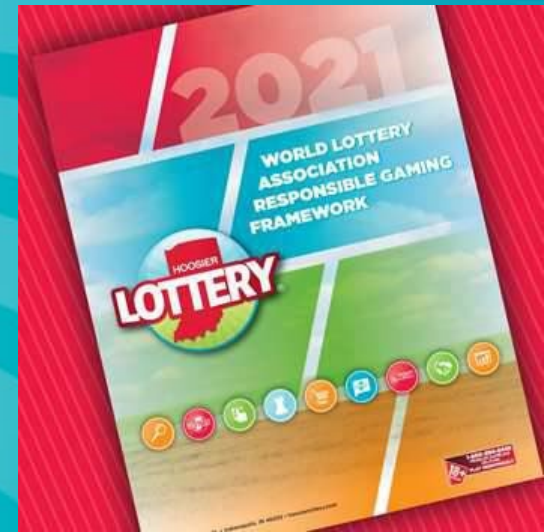
State Lottery Commission of Indiana
THANK YOU FOR JOINING
OUR MEETING IS SCHEDULED TO BEGIN AT 9:30 a.m.



May 18, 2022 Meeting



CERTIFIED
WLA RESPONSIBLE GAMING
FRAMEWORK
LEVEL 4 / VALID UNTIL 2024



Preliminary Matters

- Call to Order
- Compliance with Open Door Law
- Roll Call
- Chairman's Comments
- Approval of Minutes (by Roll Call Vote)
- Director Reports

Commission Roll Call

	Present	Absent
Chairman William Zielke	☐	☐
Commissioner Norman Gurwitz	☐	☐
Commissioner Andrew Mallon	☐	☐
Commissioner David Redden	☐	☐
Commissioner Robert Wynkoop	☐	☐



IMAGINE THAT.

Chairman's Comments

Bill Zielke

Chairman

May 18, 2022

Commissioner Recognition

Thank You Deb Kunce & Milt Thompson for your years of service!



Welcome New Commissioners

Andrew Mallon and
Robert Wynkoop

May 18, 2022





IMAGINE THAT.

Chairman's Comments

Bill Zielke

Chairman

May 18, 2022

Commission Vote to Approve Minutes

	Yea	Nay
Chairman William Zielke	☐	☐
Commissioner Norman Gurwitz	☐	☐
Commissioner Andrew Mallon	☐	☐
Commissioner David Redden	☐	☐
Commissioner Robert Wynkoop	☐	☐



IMAGINE THAT.

Director's Report

Sarah M. Taylor

Executive Director

May 18, 2022

NASPL Professional Development Seminar



JULY 25-29
INDIANAPOLIS, IN
HOSTED BY THE HOOSIER LOTTERY

May 18, 2022





IMAGINE THAT.

Director's Report

Sarah M. Taylor

Executive Director

May 18, 2022

Fast Play \$20 Golden Jackpot Update

Fast Play \$20 Golden Jackpot Ticket Claim Status (through 5/17/2022)	
Total Received	435
Paid	426
Denied*	9
Affidavit Claims Received	22
*Ticket claims are subject to IC 4-30-11	



IMAGINE THAT.

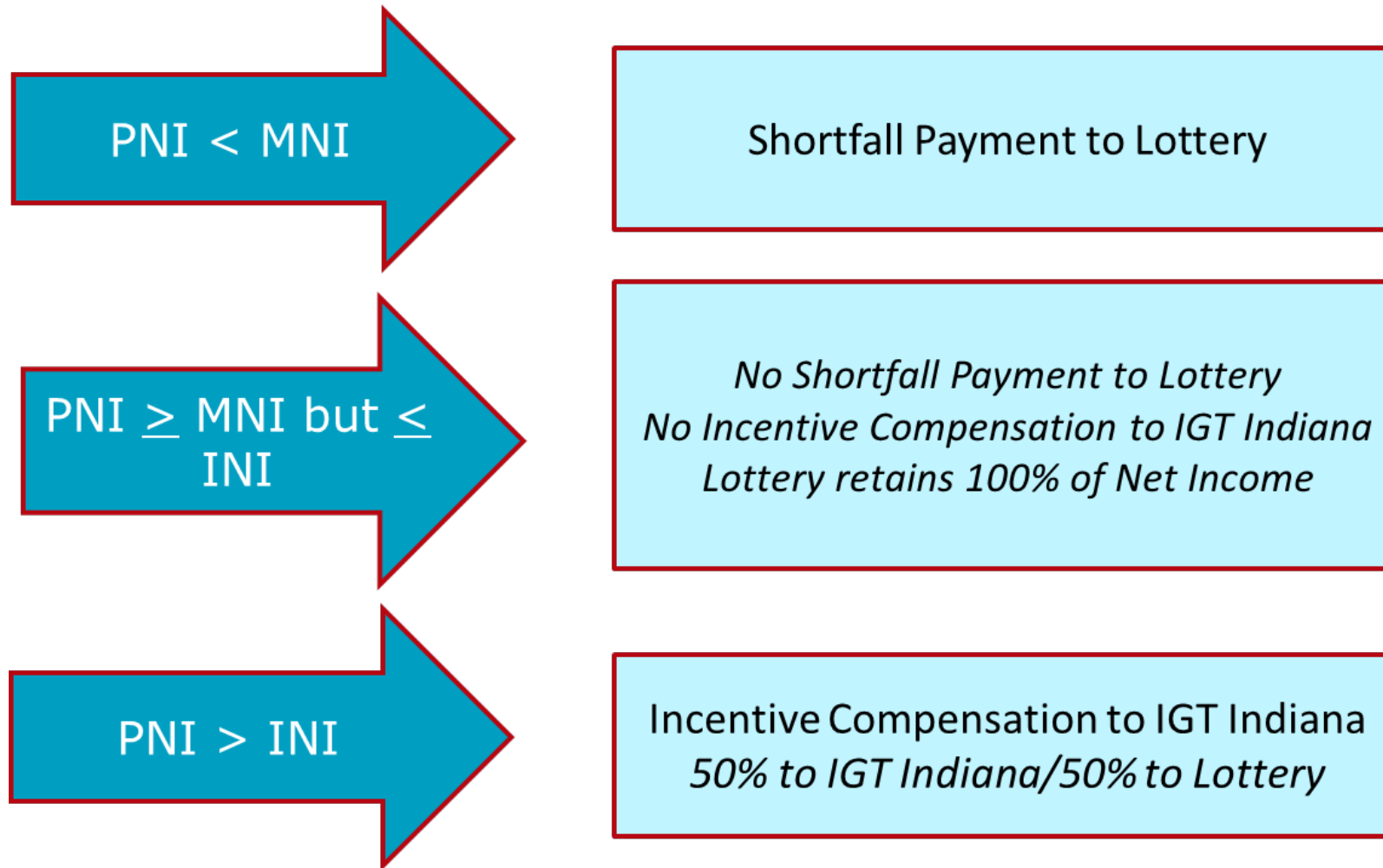
FY22 Financial Report

Carrie Stroud

Chief of Staff

May 18, 2022

FY22 Net Income Thresholds



PNI = Provider Net Income
MNI = Minimum Net Income (\$305M – FY 22)
INI = Incentive Net Income (\$323M – FY 22)

Financial Report - FY22 YTD

Income Statement

For the Ten Months ending April 30

(In Thousands)

PRELIMINARY & UNAUDITED

	FY22 Actual	FY22 Budget	Percentage Variance	FY21 Actual	Percentage Variance
Revenues	\$ 1,434,593	\$ 1,341,750	6.9%	\$ 1,450,467	-1.1%
Prize Expense	957,770	891,801	7.4%	951,374	0.7%
Game and Provider Expenses	165,147	161,873	2.0%	160,640	2.8%
Provider Net Income (PNI)	311,676	288,076	8.2%	338,453	-7.9%
General and Administrative Expenses	5,810	7,184	-19.1%	5,628	3.2%
Operating Profit	305,866	280,892	8.9%	332,825	-8.1%
Other Income	1,390	1,321	5.2%	1,333	4.3%
Provider (Incentive)/Shortfall Payment	(15,188)	(8,333)	82.3%	(16,417)	N/A
Surplus Revenue to the State	292,068	273,880	6.6%	317,741	-8.1%
Fair Market Value Adjustment	-	-	0.0%	-	0.0%
Net Income	\$ 292,068	\$ 273,880	6.6%	\$ 317,741	-8.1%

Notes:

1) Revenues are \$15.8M (1.1%) less than prior year and \$92.8M (6.9%) greater than Budget

2) Prize Expense is 66.7% of Revenues, compared to 65.6% in prior year and 66.4% budgeted

3) Game and Provider Expenses are in-line with Budget and prior year as a percentage of Revenues (11.1%-12.0%)

4) General & Administrative Expenses are \$182k (3.2%) more than prior year and \$1.3M (19.1%) less than Budget

5) Surplus Revenue to the State is \$25.6M (8.0%) less than prior year and \$18.1M (6.6%) greater than Budget

Financial Report - FY22 YTD

Revenue Breakdown

For the Ten Months ending April 30

(In Thousands)

PRELIMINARY & UNAUDITED

	FY22 Actual	FY22 Budget	FY21 Actual
Revenues			
Instant Tickets			
Scratch	\$ 1,131,094	\$ 1,063,126	\$ 1,156,001
Total Instant Tickets	1,131,094	1,063,126	1,156,001
Big Jackpot Draw Games			
Powerball (w/Double Play)	90,623	67,323	67,214
Hoosier Lotto (w/+PLUS)	33,171	32,003	32,107
Mega Millions	33,843	42,070	51,487
Total Big Jackpot Draw Games	157,637	141,396	150,808
Non-Jackpot Draw Games			
Daily 3	41,177	39,100	41,520
Daily 4	38,491	36,385	37,793
Quick Draw (w/Bullseye)	16,206	16,485	16,735
Cash 5	11,579	12,920	14,154
EZ Match	2,651	2,783	3,017
SUPERBALL	5,667	4,670	5,071
Cash4Life	5,724	5,832	6,171
Fast Play	24,367	19,053	19,197
Total Non-Jackpot Draw Games	145,862	137,228	143,658
Total Revenues	<u>\$ 1,434,593</u>	<u>\$ 1,341,750</u>	<u>\$ 1,450,467</u>

Notes:

1) Scratch Revenue is \$24.9M (2.1%) less than prior year and \$67.9M (6.4%) greater than Budget

2) Powerball Revenue is \$23.4M (34.8%) greater than prior year and \$23.3M (34.6%) greater than Budget

3) Hoosier Lotto Revenue is \$1.0M (3.3%) greater than prior year and \$1.1M (3.6%) greater than Budget

4) Mega Millions Revenue is \$17.6M (34.2%) less than prior year and \$8.2M (19.5%) less than Budget

5) Non-Jackpot Draw Games are \$2.2M (1.5%) greater than prior year and \$8.6M (6.3%) greater than Budget



Financial Report - FY22 Forecast

Income Statement

For the Twelve Month Period ending June 30
(In Thousands)

	FY22 Forecast	FY22 Budget	Percentage Variance	FY21 Actual	Percentage Variance
Revenues	\$ 1,698,600	\$ 1,595,916	6.4%	\$ 1,737,734	-2.3%
Prize Expense	1,137,571	1,060,075	7.3%	1,143,859	-0.5%
Game and Provider Expenses	196,529	192,841	1.9%	194,021	1.3%
Provider Net Income (PNI)	364,500	343,000	6.3%	399,854	-8.8%
General and Administrative Expenses	7,842	9,278	-15.5%	6,810	15.2%
Operating Profit	356,658	333,722	6.9%	393,044	-9.3%
Other Income	1,643	1,583	3.8%	1,997	-17.7%
Provider (Incentive)/Shortfall Payment	(18,225)	(10,000)	82.3%	(19,493)	-6.5%
Surplus Revenue to the State	340,076	325,305	4.5%	375,548	-9.4%
Fair Market Value Adjustment	-	-	0.0%	(7,035)	0.0%
Net Income	<u>\$ 340,076</u>	<u>\$ 325,305</u>	<u>4.5%</u>	<u>\$ 368,513</u>	<u>-7.7%</u>



IMAGINE THAT.

Sponsorships

Dennis Rosebrough

Public Relations

May 18, 2022

Align with the passions and interests of consumer segments across the state, with a focus on broadening promotional landscape

Love of Competition

- Strong affinity for sports and adventure
 - Sports Sponsorships (all sports), Gym/Fitness, Tough Mudders, Recreational Sports Leagues, Theme Parks

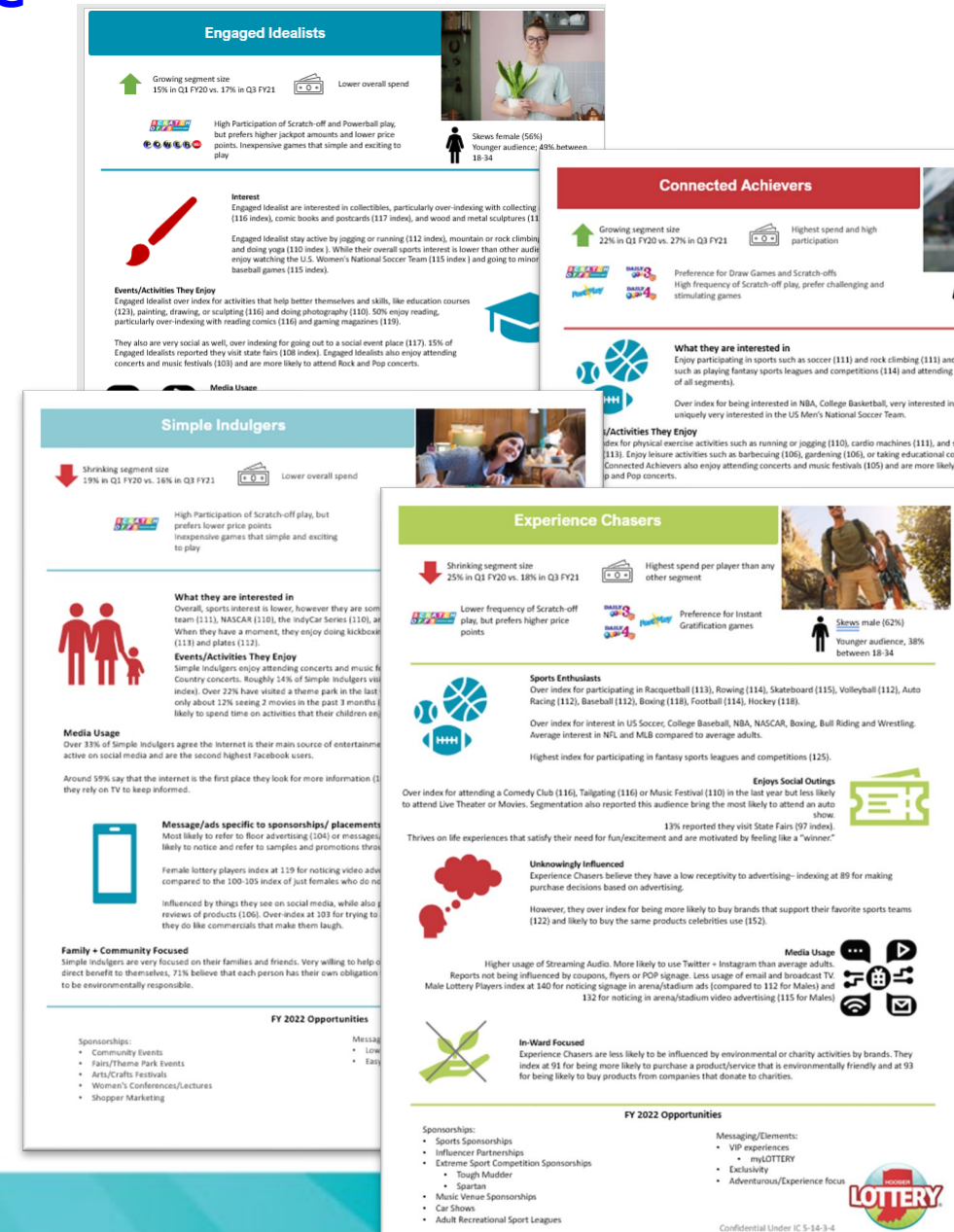
Love of Connection

- Enjoy gathering with friends and families around different occasions, events and shared interests
 - Musical Events, Dining, Family Time, Shopping, Arts and Crafts

Love of Community

- Enjoy giving back to the communities – varied from the Macro to the Micro communities in their lives
 - Passion for others, environmental and charity focused, and look for brands to give back

And while they share common interests, the way that each segment connects with competition, connection and community varies



Sponsorships

May 8 - July 2 : myLOTTERY Concert Flyaway Promotion

May 20-21 : Indianapolis Indians

May 21 : Gary Southshore RailCats

June 3-4 : Hometown Country Jam (Hobart)

June 7 : TCU Amphitheater Flogging Molly Concert

June 10 : Ruoff Music Center REO Speedwagon / Styx Concert

June 15 : Ruoff Music Center Sammy Hagar Concert

June 17 : Ruoff Music Center Tears for Fears Concert

June 25 : Fort Wayne Tin Caps

July 15 - 17: Black Expo Corporate Lunch and Exhibition

July 29 - August 21 : Indiana State Fair

“Fun at the Speed of Summer”

Hoosier Lottery Day- Saturday August 13



May is Beneficiary Recognition Month



WE'RE GIVING BACK

STRONGER. SAFER. SMARTER.

Hoosier Lottery proceeds support local police and firefighters' pensions and the Teachers' Retirement Fund across the state.

Learn more at hoosierlottery.com/givingback



STRONGER • SAFER • SMARTER

WE'RE GIVING BACK

Click on your county to see how Hoosier Lottery proceeds were distributed to beneficiaries in your area.

STATEWIDE

	Lottery Surplus Fund: \$314,855,713
	Police & Firefighters' Pensions*: \$30,000,000
	Teachers' Retirement Fund: \$30,000,000
	Payments to Winners: \$1,143,858,629
	Payments to Retailers: \$117,532,198
Fiscal Year 2021 STATEWIDE TOTAL: \$1,636,246,540	

[Download PDF >](#)

[VIEW STATE TOTALS](#)



IMAGINE THAT.

Around The Corner

Flora Jones

Director of Operations

May 18, 2022

On Sale: Now



May 18, 2022

Must be 18 or older to play. Please play responsibly.



WINNING NUMBERS

2 51 59 56 13
54 15 7 6 38

YOUR NUMBERS



HOT NUMBERS



HOW TO WIN

Match YOUR NUMBERS to any of the WINNING NUMBERS, win prize shown for that number. When the matching numbers is in a flame, win 2X the prize shown. Match a HOT NUMBER to any of the WINNING NUMBERS, win 5X the prize shown!



Overall Odds: 1 in 3.07
DO NOT MARK BELOW THIS LINE

Must be 18 or older to play. Please play responsibly.



YOUR THROWS

13 2 16 6 26 10
29 22 5 9 1 14

HOW TO WIN

Match YOUR THROWS to the SKEE-BALL® NUMBERS. Refer to PRIZE LEGEND to determine prize won. BONUS NUMBERS are not considered to be one of YOUR THROWS and are not counted in the PRIZE LEGEND.

PRIZE LEGEND

Match 10 Throws	\$15,000
Match 9 Throws	\$1,000
Match 8 Throws	\$500
Match 7 Throws	\$100
Match 6 Throws	\$50
Match 5 Throws	\$25
Match 4 Throws	\$10
Match 3 Throws	\$5

BONUS THROW

Match a BONUS NUMBER to any of the SKEE-BALL® NUMBERS, win \$20 instantly! BONUS NUMBERS are not considered to be one of YOUR THROWS and are not counted in the PRIZE LEGEND.

BONUS NUMBERS



Overall Odds: 1 in 3.52
DO NOT MARK BELOW THIS LINE

SKEE-BALL® is a registered trademark of Bay Tek Entertainment, Inc. Used under license. All rights reserved.

On Sale: Now

Must be 18 or older to play. Please play responsibly.



WIN UP TO \$2,000!



HOW TO WIN

Add up the sum of YOUR DICE and the sum of the DELUXE DICE. If the sum of YOUR DICE is higher than the sum of the DELUXE DICE, win the PRIZE shown for that ROLL. Each ROLL is played separately.



Overall Odds: 1 in 3.63
DO NOT MARK BELOW THIS LINE



May 18, 2022

[illegible]

24

Launching July 5th



Launching July 17th

Re-Launch

\$10 **\$30,000**
GOLD RUSH
WIN UP TO \$30,000!

GOLD NUMBER **YOUR NUMBERS**

10 \$30,000	24 10 39 18
48 \$25	33 40 25 49
14 \$100	31 32 41 30
9 \$200	8 50 43 52
12 \$1,000	55 11 36 7
19 \$5,000	16 37 57 38
60 \$15	44 51 21 53
20 \$250	17 54 58 22
46 \$500	45 28 35 34
15 \$50	13 27 59 56

HOW TO WIN
Match any of YOUR NUMBERS to the GOLD NUMBER, win prize shown for that GAME. Each GAME is played separately.

*** GOLDEN \$50 BONUS ***
Add up the sum of the BONUS NUMBERS. If the sum of the BONUS NUMBERS equals 10, win \$50 instantly!

Fast Play Overall Odds: 1 in 3.23
DO NOT MARK BELOW THIS LINE

\$5 **BOLT BUCKS**
WIN UP TO \$10,000!

YOUR NUMBERS

1 \$5	16 \$1,000	10 \$10,000
8 \$500	27 \$25	20 \$50
12 \$20	30 \$50	3 \$5
19 \$10	39 \$10	15 \$500
4 \$100	9 \$100	24 \$20
32 \$10	21 \$500	28 \$5
		36 \$1,000

WINNING NUMBERS
11 2 40 22 5 23
6 18 14 10 17 13

HOW TO WIN
Match YOUR NUMBERS to any of the WINNING NUMBERS, win prize shown for that number. Match a BOLT NUMBER to any of the WINNING NUMBERS, win 5X the prize shown for that number!

Fast Play Overall Odds: 1 in 3.59
DO NOT MARK BELOW THIS LINE

\$2 **MONEY BAGS TRIPLER**
WIN UP TO \$3,000!

WINNING NUMBERS
12 20 18 1
30 27 11 24

YOUR NUMBERS

1X 9 \$2	1X 17 \$500	1X 10 \$2
3X 20 \$1,000	3X 28 \$3	1X 5 \$100
1X 15 \$5	1X 21 \$50	3X 2 \$10

HOW TO WIN
Match YOUR NUMBERS to any of the WINNING NUMBERS, win prize shown for that number. When a 3X symbol appears next to any winning match, win TRIPLE the prize shown!

Fast Play Overall Odds: 1 in 3.42
DO NOT MARK BELOW THIS LINE

\$1 **BONUS BUCKS**
WIN UP TO \$1,000!

WINNING NUMBERS
2 12 29 38 26

YOUR NUMBERS

•10• \$2	•40• \$25	•29• \$1,000	•3• \$50
•19• \$5	•1• \$250	•30• \$10	•17• \$500
•4• \$500	•25• \$1	•33• \$100	•8• \$250
•20• \$1	•23• \$10	•13• \$2	•15• \$25

HOW TO WIN
Match any of YOUR NUMBERS to any of the WINNING NUMBERS, win prize shown for that number.

Fast Play Overall Odds: 1 in 3.67
DO NOT MARK BELOW THIS LINE

\$2 **Backyard BINGO**
WIN UP TO \$2,500

CARD 1
LINE: \$2 4 CORNERS: \$10
X: \$25 Z: \$100 ALL: \$1,000

B	I	N	G	O
2	18	33	46	61
14	21	36	51	63
1	20	53	71	
3	29	42	48	73
11	24	44	49	64

CARD 2
LINE: \$2 4 CORNERS: \$15
X: \$50 Z: \$250 ALL: \$2,500

B	I	N	G	O
4	20	45	55	62
6	22	31	59	67
14	16	47	75	
12	29	38	43	70
15	19	32	50	68

CALL NUMBERS
5 22 14 24 34 17 54 19 29
39 40 32 42 52 53 63 64 56
48 58 41 60 70 62 72 73 74

HOW TO WIN
Match the CALL NUMBERS to the numbers on your CARDS. Complete a WINNING PATTERN, win the prize for that pattern. Prizes are for one card only. The highest prize may be won. Each CARD is played separately.

WINNING PATTERNS

SINGLE LINE	4 CORNERS	X
Z	ALL	

Fast Play Overall Odds: 1 in 3.10
DO NOT MARK BELOW THIS LINE





IMAGINE THAT.

Annual Business Plan

Chuck Taylor

Director of Legal Affairs & Compliance

May 18, 2022



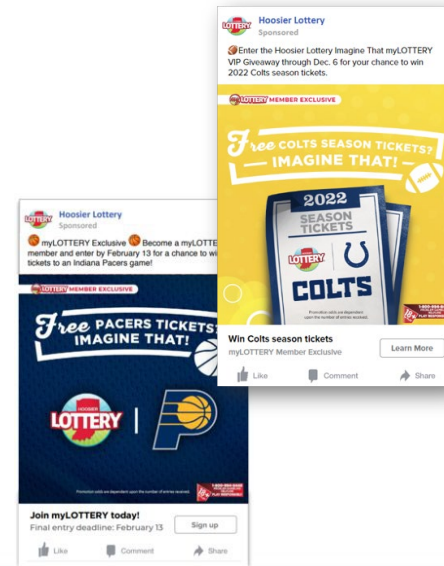
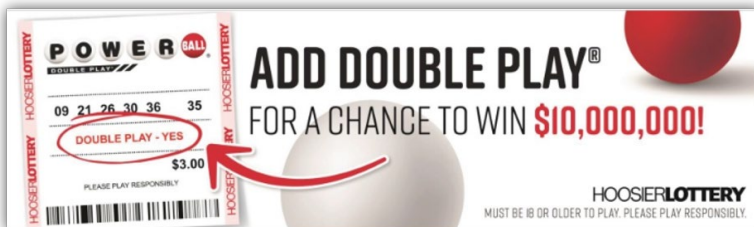
IMAGINE THAT.

FY 2023 Annual Business Plan

Melissa Pursley

COO, General Manager; IGT IN

FY 2022 Accomplishments



May 18, 2022

FY 2022 Forecasted Results

Total Sales

- \$1.7B in sales
- Flat YOY
 - (.02%) decrease in Scratch-off games: \$1,345.1M
 - .01% increase in Draw game sales: \$353.5M

Maintain balance on expenses

- Overall prize payout increased 1.2% on a percent of sales basis YOY at just under 67.0%. This is due to an increase in Scratch-off payout due to higher spending at higher price points, combined with slightly higher Draw game payouts, and significantly lower unclaimed prizes
- Lottery expenses at 4.1%, a 0.3% increase on a percent of sales basis YOY
- Management Fee at 0.7%, virtually the same on a percentage of sales basis YOY

Provider Net Income:

\$364.5M
(9.9%) YOY

IGT IN Incentive:

\$18.2M

FY 2023 Business Plan Overview

May 18, 2022

Minimum Net Income / Incentive Net Income

Fiscal Year	MNI	INI
2021	\$300	\$316
2022	\$305	\$323
2023	\$311	\$329
2024	\$316	\$336
2025	\$322	\$342
2026	\$327	\$349

(\$ in millions)

$PNI < MNI$

Shortfall Payment to Lottery

$PNI > MNI$
but $< INI$

No Shortfall Payment to Lottery
No Incentive Compensation to IGT Indiana
Lottery retains 100% of Net Income

$PNI > INI$

$PNI > INI$
Incentive Compensation to IGT Indiana
50% to IGT Indiana/50% to Lottery

FY 2023 Budget Highlights

Deliver Total Sales: \$1.7B

Scratch-off Sales: \$1.4B

Draw Game Sales:
\$336.6M

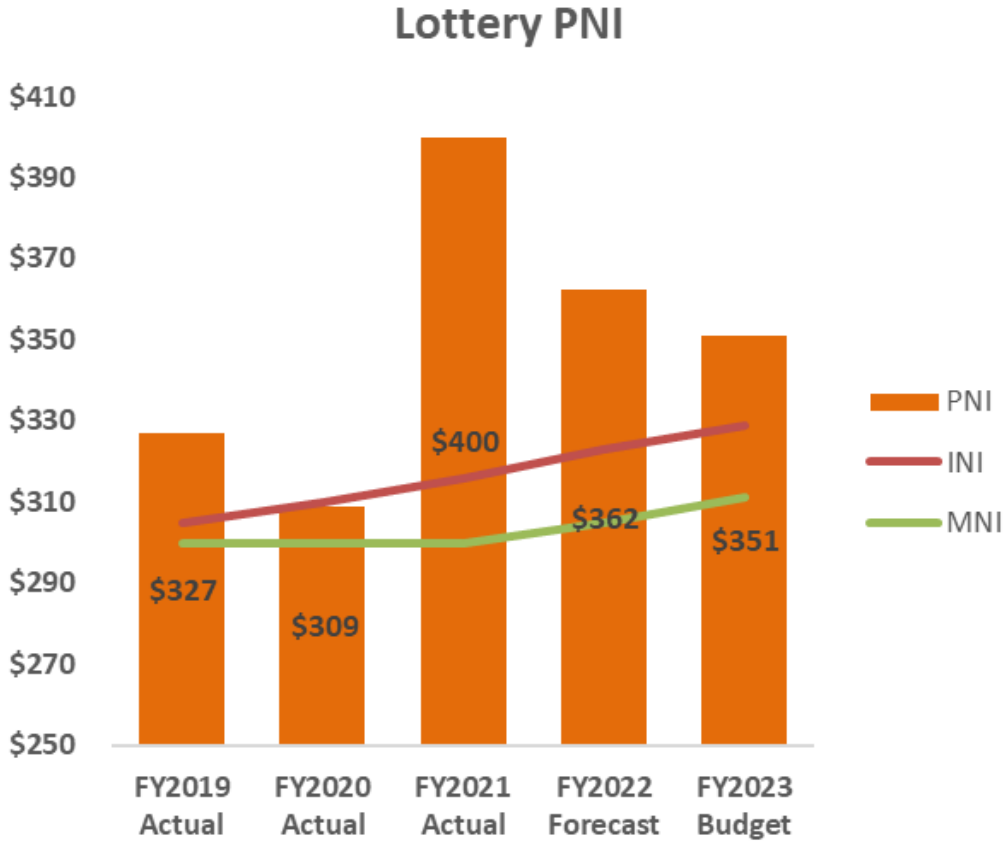
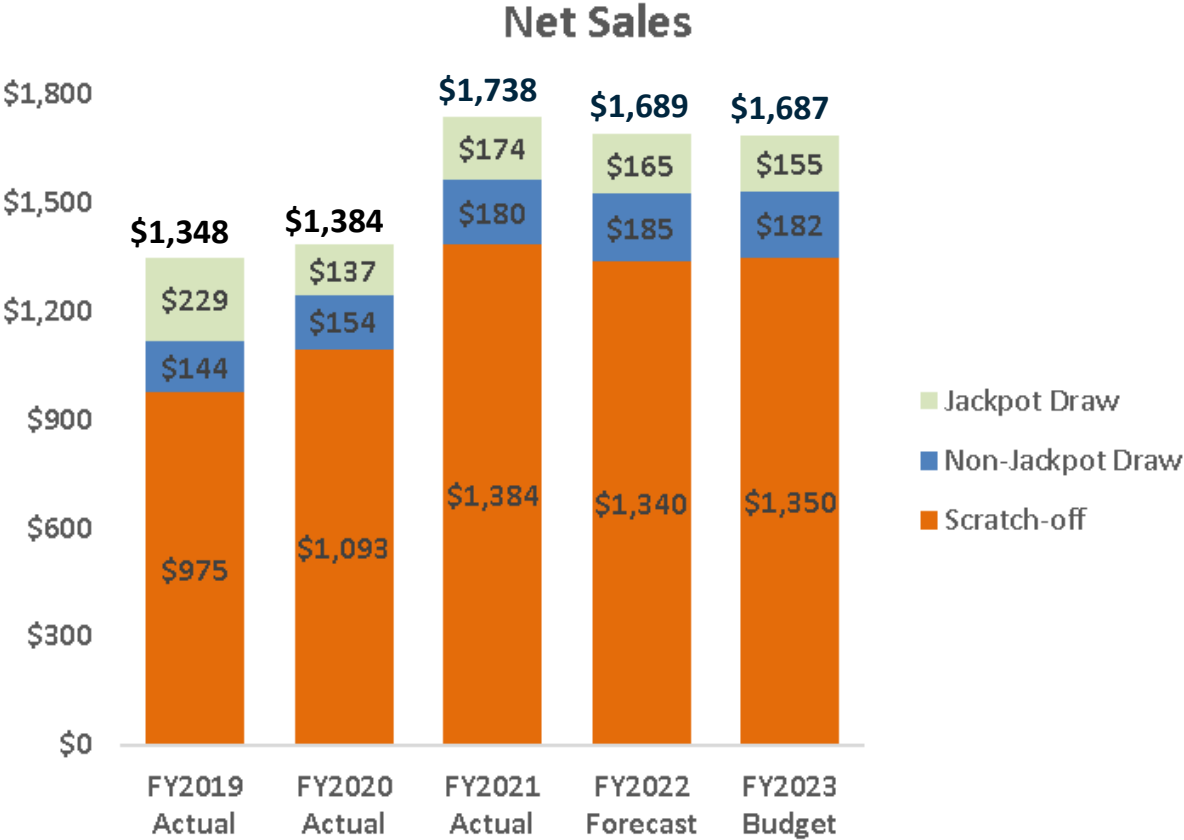
Provider Net Income:
\$351.0M

IGT Incentive:
\$11.0M



FY 2019 - FY 2023 Hoosier Lottery Sales and PNI

\$ in Millions



Business Plan Highlights: Key Pillars

Deepened
Participation
& Engagement

Data
Optimization

Corporate
Social
Responsibility

Optimize Portfolio Management

Major Focus Areas

Provide diversity and variety for current players while maximizing profitability

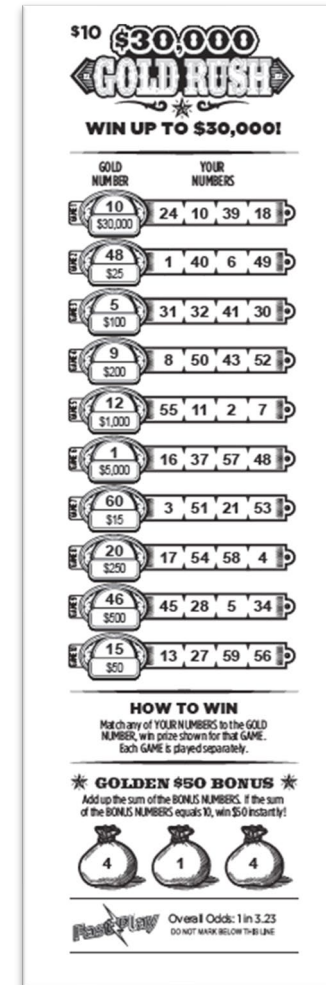
- Maintain consistent Scratch-off and Fast Play launch cadence
- Continue focus on offering experiential variety across the product portfolio

Strengthen the Draw game portfolio

- Launch a new in-state draw game
- Continue to evolve and update the Fast Play portfolio
- Evaluate Hoosier Lotto draw frequency and minimum roll increments

Increase appeal to light/lapsed players

- Leverage licensed properties and pop-culture themed games
- Explore more experiential opportunities for players through our products and promotions



Personalized & Engaging Brand Experiences

Marketing Focus Areas

Optimize efforts to deliver relevant & engaging brand experiences

- Continue to support major product launches and jackpot trigger periods
- Evolve segmentation data use & media decisions to deliver efficient and relevant communications
- Continue to elevate brand experiences with entertaining and impactful promotions
- Optimize winner awareness efforts

Broaden myLOTTERY experience to drive growth & engagement

- Increase membership through media and promotional opportunities
- Provide member-only perks and exclusive content



May 18, 2022



Targeted Approach to Marketplace Development

Major Focus Areas

Evaluate and optimize existing Self-Service efforts

- Complete Self-Service assessment to identify and prioritize positioning
- Maintain this high level of Full and Available (97%+) with enhanced reporting
- Focus on training and use of analytics with both retailers and the sales team

Broaden the scope of promotional activity as the key account approach becomes more omnichannel

- Expand and redefine our omnichannel approach with a heightened focus on digital and social media with retailer
- Omnichannel strategy will drive points of interruption and presence at retail

Adapt to changing retail landscape with innovative solutions

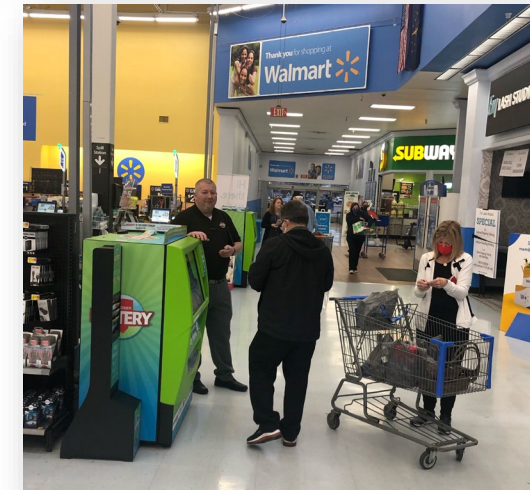
- Conduct an analysis of all merchandising configurations by retailer
- Explore In-lane solutions
- Update all merchandising standard renderings
- Review of current retailer incentive programs

Solidify current Retail Marketing Program pillars and expand proven tactics

- Explore developing RMP goals that are channel specific
- Enhance transaction zone merchandising standards

Evaluate and build on Organizational Effectiveness process

- Review all large/small format territories for improvement and opportunities
- Call coverage will be based on a four-week cycle inside each of the 13 periods



Evolving Corporate Social Responsibility

Major Focus Areas

Continued Leadership In Responsible Gaming

- Continue to build our Positive Play player education tools and communication
- Develop a strategic retailer engagement plan
- Apply segmentation analysis to Positive Play Scale results
- Continue to optimize our grants program
- Continue to lead and collaborate with Indiana Council on Problem Gambling's Responsible Gaming Committee

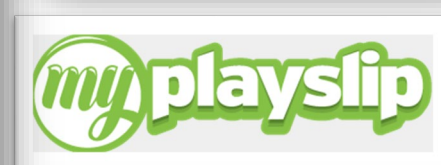
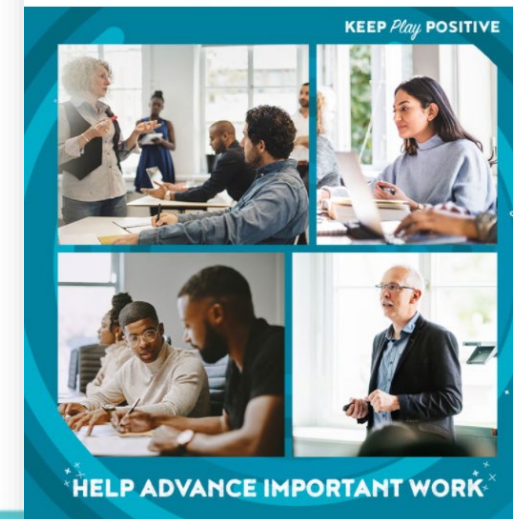
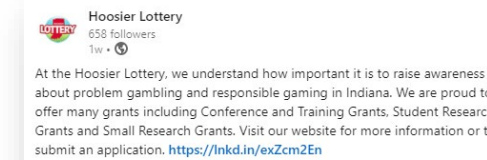
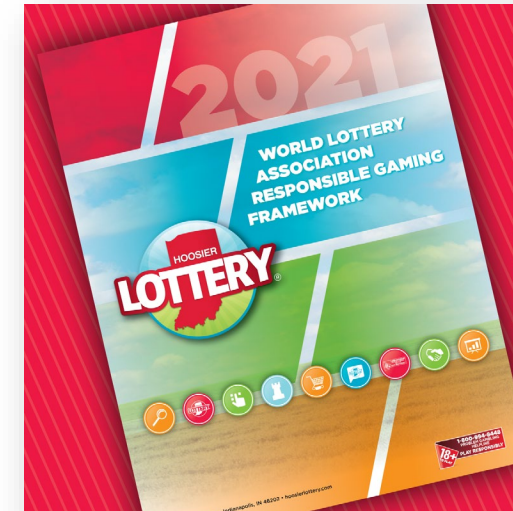
Support Employee Engagement Plan

- Activate employee CSR Ambassadors to assist with employee & community engagement
- Employee CSR Ambassadors to assist with new employee onboarding as culture ambassadors

Elevate responsible business practices

- Support environmental impact practices
- Expand communication channels to promote responsible gaming
- Support Minority and Women-owned Business Enterprise initiatives

IGT Indiana's continued commitment to the community



Q & A

May 18, 2022

FY 2023 Business Plan



Resolution #22-01

Presented for
Adoption

Commission Vote to Approve Resolution #22-01

	Yea	Nay
Chairman William Zielke	☐	☐
Commissioner Norman Gurwitz	☐	☐
Commissioner Andrew Mallon	☐	☐
Commissioner David Redden	☐	☐
Commissioner Robert Wynkoop	☐	☐

Commission Vote to Adjourn

	Yea	Nay
Chairman William Zielke	☐	☐
Commissioner Norman Gurwitz	☐	☐
Commissioner Andrew Mallon	☐	☐
Commissioner David Redden	☐	☐
Commissioner Robert Wynkoop	☐	☐

Questions?



All media requests may be forwarded to:

Dennis Rosebrough
Public Relations
derosebrough@hoosierlottery.in.gov

May 18, 2022



End of Presentation

May 18, 2022