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TEXAS LOTTERY BREAKS ALL-TIME SALES RECORD FOR 12TH CONSECUTIVE YEAR

Nearly \$2 billion transferred to Texas public schools and Texas veterans

AUSTIN – The Texas Lottery has surpassed its all-time sales record for the 12th consecutive fiscal year, achieving **\$8.297 billion in sales in FY 2022** – an increase of **\$189.7 million, or 2.3%, over FY 2021** – resulting in a record total contribution of **\$1.998 billion for Texas education and veterans.** The achievement includes new records for scratch ticket and draw game sales, including the Texas Lottery's new weekly record for total sales of **\$264,299,800** set the week of July 24-30, 2022. Overall, the Texas Lottery has seen a growth in sales of **\$3.219 billion, or 63.4%**, over the past five years.

"The Texas Lottery is one of only a handful of U.S. lotteries to experience sales growth in traditional lottery scratch ticket and draw game products over the last fiscal year," said Gary Grief, executive director of the Texas Lottery. "Despite competing with the return of many entertainment options after the COVID-19 pandemic, as well as increasing inflation, this latest sales record was buoyed by two major milestones – the launch of the U.S. lottery industry's first \$100 scratch ticket game in May 2022, as well as the advertised \$1.28 billion Mega Millions jackpot for the July 29, 2022 drawing. More than anything, however, this new sales record is a testament to the persistent hard work of Texas Lottery staff, vendor partners, and retailers, which made it possible for the Texas Lottery to once again contribute almost \$2 billion in revenue to the state of Texas."

This year's revenue transfer of \$1.998 billion broke the previous record revenue contribution set in FY 2021. It included \$1.972 billion to the Foundation School Fund and \$26 million to the Fund for Veterans' Assistance, the Texas Lottery's largest contribution to Texas veterans. The Texas Lottery has now contributed \$29.7 billion to Texas public education and more than \$192 million to Texas veterans since the dedication of such funds by the Texas Legislature.

"We are thrilled to announce the Texas Lottery once again generated record revenue for the state of Texas during fiscal year 2022," said Robert G. Rivera, Chairman of the Texas Lottery Commission. "We want to

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thank all the players for supporting the Texas Lottery and for their participation in providing these muchneeded funds for the Foundation School Fund and the Fund for Veterans' Assistance."

Record Scratch Ticket Sales

Scratch ticket sales for FY 2022 totaled **\$6.727 billion, a new Texas Lottery scratch ticket sales record,** accounting for 81.1% of the portfolio's total sales. The new record reflects \$110.3 million, or 1.7%, more in sales over FY 2021.

The introduction of the \$100 scratch ticket game, the first by a U.S. lottery, anchored the Texas Lottery's scratch ticket sales in FY 2022. Accounting for \$211.2 million, or 3.1%, of total scratch ticket sales, \$20 Million Supreme was the No.1 selling scratch ticket every week since its launch on May 16, 2022 – the final 15 weeks of the fiscal year. The \$100 scratch ticket game ended the fiscal year as the fifth top-selling scratch ticket overall.

Leading scratch ticket sales, the \$10 price point generated more than 23.5% of total scratch ticket sales, totaling \$1.58 billion for FY 2022. The top-selling game at the \$10 price point was Mega Loteria, with its two versions totaling \$449.3 million in sales during FY 2022.

Scratch ticket sales growth in FY 2022 were also led by increases at the \$50 and \$20 scratch ticket price points. The \$20 scratch ticket price point saw the largest overall growth in scratch ticket sales with a \$142.8 million increase, or 10.6% gains over FY 2021. Sales at the \$20 price point totaled \$1.491 billion and included three games in the top 15 – \$1,000,000 Crossword, \$1,000,000 Jackpot, and the top-selling scratch ticket game of FY 2022, Million Dollar Loteria.

The \$50 price point showed gains of \$64.5 million, or 5.8% higher than sales in FY 2021. Fifty-dollar scratch tickets held the Nos. 2, 3, 8, 10 and 11 positions of the Texas Lottery's top-15 selling games during FY 2022, led by Casino Millions with \$289.7 million in sales during the fiscal year.

Multicultural-themed scratch ticket games continue to prove popular with Texas Lottery players, generating sales of \$1.58 billion, or 23.5% of total scratch ticket sales, in FY 2022. Of the Texas Lottery's top-15 selling scratch ticket games during FY 2022, Loteria-themed games ranked Nos. 1, 3, 4, 6 and 7.

The agency's FY 22 scratch ticket families were also crucial to the record sales year. In January 2022, the Power X family was introduced with scratch ticket price points of \$1, \$3, \$5, \$10 and \$20. The family of games generated \$359.4 million in sales during the fiscal year. And the Jackpot family, which features tickets at the \$1, \$5, \$10 and \$20 price points, has totaled \$339.6 million since its September 2021 launch.

Record Draw Games Sales

The Texas Lottery's draw games portfolio also had a banner year, with a record **\$1.57 billion in draw** games sales during FY 2022 – a **\$79.4 million increase over FY 2021.**

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Texas' in-state draw games produced \$770.8 million in sales during FY 2022 – 49% of the portfolio's total draw sales. Of the in-state draw games, the daily draw games generated \$541.1 million in sales, or 34.5% of total draw sales, for the fiscal year.

Of these daily games, Pick 3[™] plus FIREBALL and Daily 4[™] plus FIREBALL combined for \$445.6 million in total sales – more than 28% of total draw sales. Daily 4 has seen a year-over-year sales increase since it was introduced in 2008, marking \$146.8 million in sales in FY 2022 – a new Texas Lottery record. Pick 3 saw \$298.8 million, or 19% of total draw game sales.

Rounding out the daily draw games, Cash Five generated sales of \$50.1 million in FY 2022, while All or Nothing saw sales of \$45.5 million, a 3.5% increase over FY 2021.

Texas' in-state jackpot games also contributed to the draw games portfolio's great growth during FY 2022. Lotto Texas with Extra![®] generated \$163.8 million in sales, making up 10.4% of total draw game sales. Of that, Extra! – the game's add-on feature – set a new record with \$39.6 million in total sales, reflecting a year-over-year increase each year since its introduction in FY 2013. Texas Two Step[®] also produced \$65.9 million in sales during the fiscal year.

Propelled by the advertised \$1.28 billion Mega Millions jackpot in July 2022, the multi-state games Powerball[®] and Mega Millions[®] generated a combined \$798.8 million in sales – a new Texas Lottery record. Of that, Powerball sales totaled \$405.8 million and Mega Millions sales totaled \$392.9 million, both the second-highest sales totals in Texas Lottery history.

In-lane sales continue to be an important initiative for the agency to make lottery products conveniently available in checkout lanes without a dedicated lottery terminal where a broad diversity of consumers shop. Already an industry leader in this space with QUICKTICKET, a Powerball or Mega Millions ticket merchandised like a gift card, and Receipt Tickets, draw game tickets printed on a retailer's plain, cash register receipt paper, the agency is actively working on new distribution methods to make scratch tickets more readily available in-lane at grocery stores and new retail settings. In-lane sales for Powerball and Mega Millions generated \$2.87 million in FY 2022.

Record Year for Retailers

FY 2022 was a record year for the Texas Lottery's **20,720 retailers** across the state. Retailer commissions totaled **\$415.4 million**, the highest payment to retailers in Texas Lottery history. In all, **\$441.6 million** was paid to retailers in commissions, incentives and through the retailer bonus program – a new Texas Lottery record, and an average payment of **\$20,046** for each of the Texas Lottery's retail partners.

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Record Year for Prizes Paid to Players

FY 2022 was also a big year for Texas Lottery players. The agency paid **\$5.662 billion in payments to prize winners** – the highest prize payment in Texas Lottery history, and an increase of \$170.7 million in prizes paid to players from the year before.

Responsible Gambling Efforts Recognized

While achieving another year of record sales growth, the Texas Lottery remained focused on social responsibility through the implementation of its responsible gambling initiatives. The agency's year-long 30th Anniversary celebration included an emphasis on responsible gambling in January 2022, featuring a panel discussion with research and client-service professionals and a new social media campaign, "Know When to Say When."

Annual training for retailers, vendor staff and agency employees was supplemented with continued participation in the international campaigns for Problem Gambling Awareness Month and responsible gifting, as well as year-round messages via the agency's "Upcoming Games" videos on social media, on-hold recordings for the customer service phone line, and 24/7 access to online training videos. PLAY RESPONSIBLY information and resources for help were widely available at retail and the Texas Lottery[®] website.

During FY 2022, the Texas Lottery maintained certification by the National Council on Problem Gambling and the North American Association of State and Provincial Lotteries for meeting Responsible Gaming Verification Standards at the Implementation Level as well as World Lottery Association certification at Level 3 of the Responsible Gaming Framework.

Fiscal Stewardship

The Texas Lottery continued to adhere to its conservative budgeting approach in FY 2022, as it kept its administrative expenditures to **\$287.7 million, or 3.47% of sales** – one of the industry's lowest administrative expenditure rates in the country.

FY 2022 by the Numbers

- If it were a publicly traded company, \$8.297 billion in annual sales would place the Texas
 Lottery at No. 417 on the 2022 Fortune 500 list, tied with S&P Global and ahead of other wellknown brands including Polaris, Williams-Sonoma, Motorola Solutions and Zillow Group
- This is the **19th consecutive year** that the Texas Lottery generated more than \$1 billion in revenue for Texas, with a record, total contribution to the state of \$1.9984 billion.
- 97.66% of Texas Lottery sales are returned in the form of contributions to the Foundation School Fund, the Fund for Veterans' Assistance and other state programs, and through prizes, retailer commissions, and incentives.

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The Beneficiaries: Texas Education and Texas Veterans

The Foundation School Fund, administered by the Texas Education Agency, funds the operational needs and special program services for Texas school districts, including teacher salaries, utilities, equipment, bilingual education, special education, gifted and talented education, and career and technical education.

<u>The Texas Veterans Commission Fund for Veterans' Assistance</u> makes grants available to eligible charitable organizations, local government agencies, and Veterans Service Organizations that provide direct services to Texas veterans and their families. With 1.7 million veterans spread across the state, these programs provide financial assistance, transportation services, Post-Traumatic Stress Disorder counseling and housing assistance.

About the Texas Lottery

Beginning with the first ticket sold in 1992, the Texas Lottery has generated \$35.6 billion in revenue for the state and distributed \$77.1 billion in prizes to lottery players. Since 1997, the Texas Lottery has contributed \$29.7 billion to the Foundation School Fund, which supports public education in Texas. As authorized by the Texas Legislature, certain Texas Lottery revenues benefit state programs including the Fund for Veterans' Assistance. Since the first veterans' themed scratch ticket game was launched in 2009, the Texas Lottery has contributed more than \$192 million for programs supporting Texas veterans.

The Texas Lottery provides several entertaining games for lottery players including Powerball[®], Mega Millions[®], Lotto Texas[®], All or Nothing[™], Texas Two Step[®], Pick 3[™], Daily 4[™], Cash Five[®] and scratch ticket games. For more information visit us on Facebook, Twitter, Instagram, YouTube or at texaslottery.com. PLAY RESPONSIBLY.

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