

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
SUMMARY REPORT

Scratch Ticket Information

Date Completed 1/7/2019

Game #	2012	Confirmed Packs	3,745
Game Name	Hot 7s	Active Packs	5,773
Quantity Printed	29,860,050	Warehouse Packs	27,033
Price Point	\$1	Returned Packs	10
Start Date	1/2/2018	Printed Payout Percentage	60.02%
Top Prize	\$ 777	Percent Sold	80.73%
Number of Top Prizes Remaining	54	Number of Weeks Out	53

Current Game Sales Analysis

TANGIBLE COSTS

Expenditure Impact:

Cost to print tickets	\$ 331,148	Actual ticket production costs
Prize payout expense	\$ 13,333,991	Data from Instant Ticket Tier Liability screen in ES

Estimated Direct Costs \$ 13,665,139

TANGIBLE BENEFITS

Revenue Impact:

Estimated sales	\$ 24,106,018	Based on # of tkts printed, times % sold from DaVinci report, times the price point
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Total Estimated Benefits \$ 24,106,018

Excess of Revenue over Expended \$ 10,440,879

INTANGIBLE POSITIVE BENEFITS:

- Allows for open bin space for new games at same price point with higher average weekly sales.
- Allows retailers to return inventory to TLC that is not selling thus releasing their financial burden

INTANGIBLE NEGATIVE BENEFITS:

- There are still valuable prizes remaining in this game.

Assumptions:

- Estimated sales revenue is calculated based on the number of tickets printed times the percent sold from the DaVinci report. The percent sold amount is based on pack settlements. Some partial packs could be returned thus slightly reducing the sales revenue amount reported above.

Weekly Sales Comparison Information

		<u>Previous 3 Weeks Sales from DaVinci</u>	
Most recent week sales	\$	280,738	
Next week	\$	257,967	
Next week	\$	243,161	
Avg Weekly Sales Current Game	\$	260,622	
Avg Weekly Sales \$1; 30M - 34.99M Qty*	\$	632,952	
Percentage Of Variance In Sales		59%	

TEXAS LOTTERY COMMISSION
Scratch Ticket Game Closing Analysis
RECOMMENDATION AND APPROVALS

Instant Ticket Information

Game #	2012	Printed Payout Percentage	60.02%
Game Name	Hot 7s	Actual Payout Percentage	55.31%
Percent Sold	80.73%	Number of Weeks Out	53
Average # of Weeks for 85% Sell-through for Same Price Point Game With Similar Print Run.*			41

* No games available at the 25-29.99 M range so the 30-34.99M range was used for this analysis.

Recommendation

☒ Based on the findings in this Summary Report, I am recommending closing the above game.

☐ I am recommending closing the above game based on the below business reason(s):

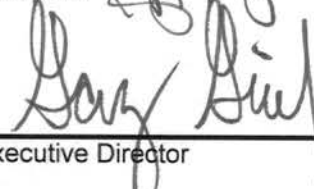
 1/7/19
Instant Product Coordinator Date

 1/8/19
Products Manager Date

By signing below, I agree with the recommendation of the Products Department Staff to close the above game.

 1-10-19
Lottery Operations Division Director Date

 1/10/2019
Controller Date

 1/14/19
Executive Director Date

					
Da Vinci Report				4/7/19	
Week End Date: 1/5/19					

Product Line	Game	\$	Txn Run	Name	Start	Call	Close	Wks	% Sold	Confirmed	Active	Ware	Return	Net Sales			
														11/1/19	12/29/18	12/22/18	12/15/18
Baseline	2111	\$1	29,302,200	10X	12/31/18			5	18.09%	14,557	16,462	124,174	12	\$1,294,138.00	\$1,173,283.00	\$1,162,968.00	\$1,079,114.00
	2071	\$1	9,052,050	LUCKY DOG	1/17/19			0	0.00%	30	3	24,058	0	\$0	\$0	\$0	\$0
	2035	\$2	7,060,875	777	12/17/18			3	31.06%	14,179	11,014	8,929	4	\$1,801,202.00	\$1,697,258.00	\$874,894.00	\$13,000.00
	2094	\$2	7,229,875	VETERANS CASH	10/15/18			12	37.35%	8,176	5,418	21,262	11	\$310,624.00	\$382,416.00	\$400,212.00	\$496,936.00
	2109	\$3	16,346,375	30X	12/17/18			3	9.57%	17,500	10,043	86,928	1	\$2,050,935.00	\$1,714,287.00	\$908,346.00	\$18,750.00
	2112	\$5	19,823,025	50X	1/17/19			0	0.00%	34	6	209,023	0	\$0	\$0	\$0	\$0
	2110	\$5	7,340,250	5X EL DINERO	12/17/18			3	22.98%	26,052	12,115	32,085	13	\$3,184,235.00	\$3,176,570.00	\$2,045,075.00	\$28,500.00
	2042	\$5	11,373,825	BONUS BALL BINGO	10/29/18			10	20.65%	15,014	9,809	93,163	8	\$1,423,200.00	\$1,484,100.00	\$1,315,465.00	\$1,296,480.00
	2017	\$5	10,241,100	BONUS BREAK THE BANK	10/15/18			12	41.76%	15,559	10,378	50,411	13	\$1,911,330.00	\$1,794,235.00	\$1,611,905.00	\$1,715,850.00
	2102	\$5	7,213,875	MONEY MADNESS	11/14/18			7	41.28%	17,342	9,427	27,839	12	\$1,731,845.00	\$1,638,265.00	\$1,607,750.00	\$1,928,835.00
2106	\$5	7,339,125	MULTIPLIER MANIA	12/3/18			5	30.86%	22,870	11,072	31,655	15	\$2,107,895.00	\$2,106,195.00	\$2,391,825.00	\$2,781,660.00	
2082	\$5	22,519,650	SUPER CROSSWORD	11/26/18			6	6.37%	19,357	9,645	249,030	7	\$1,774,025.00	\$1,685,720.00	\$1,520,980.00	\$1,325,190.00	
2113	\$10	13,160,250	100X	1/17/19			0	0.00%	39	4	210,822	0	\$0	\$0	\$0	\$0	
2103	\$10	7,342,800	CASH BLAST	10/15/18			12	51.21%	15,379	7,645	45,735	8	\$2,922,530.00	\$2,943,670.00	\$2,874,070.00	\$2,951,340.00	
2086	\$10	4,651,020	SEASONS GREETINGS	11/14/18			7	50.89%	33,931	14,419	56,598	37	\$2,345,280.00	\$3,598,390.00	\$3,273,040.00	\$3,331,550.00	
2107	\$20	8,987,375	200X	12/3/18			5	15.86%	25,359	8,120	263,168	18	\$5,177,120.00	\$5,324,140.00	\$5,872,620.00	\$6,824,960.00	
2077	\$20	5,075,275	MILLIONAIRE CLUB	12/17/18			3	9.86%	28,613	7,286	143,110	9	\$3,014,640.00	\$3,739,300.00	\$3,204,380.00	\$49,500.00	
2100	\$20	5,989,350	MILLION DOLLAR LOTERIA	11/5/18			9	33.96%	43,334	9,441	101,070	38	\$4,329,900.00	\$4,293,680.00	\$4,556,880.00	\$4,349,180.00	
2114	\$30	5,971,025	300X	1/17/19			0	0.00%	38	6	180,193	0	\$0	\$0	\$0	\$0	
2104	\$50	4,564,740	WINNING MILLIONS	11/14/18			7	15.04%	15,304	6,415	169,345	12	\$4,481,200.00	\$4,523,400.00	\$4,680,050.00	\$4,564,100.00	
Mature	1878	\$1	854,700	CASH ON THE SPOT	9/18/17			68	0.00%	0	0	3,732	228	\$0	\$0	\$0	\$0
	2012	\$1	29,860,050	HOT 75	1/2/18			53	80.73%	3,745	5,773	27,033	10	\$280,738.00	\$257,967.00	\$243,161.00	\$228,234.00
	2091	\$1	9,173,550	LUCKY 85 DOUBLER	10/1/18			14	88.99%	2,181	3,816	0	71	\$217,048.00	\$249,332.00	\$307,677.00	\$359,138.00
	1804	\$1	829,650	LUCKY STARS	9/18/17			68	0.00%	0	0	751	595	\$0	\$0	\$0	\$0
	2068	\$1	30,502,050	WEEKLY HALF GRAND	8/20/18			20	33.92%	9,636	14,047	107,104	12	\$579,157.00	\$535,452.00	\$517,153.00	\$487,999.00
	2041	\$2	7,171,375	ACES AND 8S	6/25/18			28	70.52%	3,667	2,502	9,829	25	\$167,890.00	\$171,834.00	\$198,498.00	\$208,878.00
	2079	\$2	35,539,375	BLACKOUT BINGO	7/3/18			27	37.03%	12,766	9,953	153,023	23	\$1,130,506.00	\$1,104,798.00	\$1,022,280.00	\$1,031,078.00
	2080	\$2	40,562,000	BREAK THE BANK	6/15/18			29	37.86%	13,757	10,673	172,566	9	\$1,304,238.00	\$1,270,958.00	\$1,173,210.00	\$1,195,060.00
2022	\$2	7,215,625	HUNTING FOR HUNDREDS	9/17/18			16	76.48%	5,357	4,672	378	1,590	\$356,788.00	\$442,950.00	\$422,592.00	\$487,456.00	
2078	\$2	35,978,375	WEEKLY GRAND	1/10/18			51	55.92%	10,295	10,769	100,959	8	\$783,160.00	\$781,518.00	\$692,868.00	\$717,572.00	

Liability for 2012 / for Life to Date

Product Status:
ActiveSmartCash Enabled:
N/A

Validation Range: 12/13/2017 - 12/31/2037

Outstanding Prizes

Tier	Ref	SmartCash	Tier Value	Count	Amount	Tickets Paid Life to Date	Amount Paid Life to Date	% paid	Est. Tickets Sold
1	1	N/A	\$1.00	848805	\$848,805.00	2335953	\$2,335,953.00	73.35%	21901718
2	2	N/A	\$2.00	96563	\$193,126.00	301571	\$603,142.00	75.75%	22617825
3	3	N/A	\$2.00	461089	\$922,178.00	1529738	\$3,059,476.00	76.84%	22944260
4	4	N/A	\$5.00	21675	\$108,375.00	77937	\$389,685.00	78.24%	23362674
5	5	N/A	\$5.00	37381	\$186,905.00	62126	\$310,630.00	62.43%	18642763
6	6	N/A	\$5.00	40869	\$204,345.00	158250	\$791,250.00	79.48%	23731300
7	7	N/A	\$10.00	10436	\$104,360.00	39339	\$393,390.00	79.03%	23599487
8	8	N/A	\$10.00	9718	\$97,180.00	40067	\$400,670.00	80.48%	24031387
9	9	N/A	\$10.00	37202	\$372,020.00	62410	\$624,100.00	62.65%	18708245
10	10	N/A	\$20.00	10038	\$200,760.00	39737	\$794,740.00	79.83%	23838248
11	11	N/A	\$20.00	9417	\$188,340.00	40263	\$805,260.00	81.04%	24199983
12	0	N/A	\$40.00	254	\$10,160.00	1100	\$44,000.00	81.24%	24258533
13	0	N/A	\$40.00	17956	\$718,240.00	31776	\$1,271,040.00	63.89%	19078921
14	0	N/A	\$40.00	4636	\$185,440.00	20371	\$814,840.00	81.46%	24324352
15	0	N/A	\$100.00	257	\$25,700.00	994	\$99,400.00	79.46%	23725731
16	0	N/A	\$100.00	447	\$44,700.00	2038	\$203,800.00	82.01%	24488845
17	0	N/A	\$100.00	1352	\$135,200.00	2411	\$241,100.00	64.07%	19131698
18	0	N/A	\$777.00	54	\$41,958.00	195	\$151,515.00	78.31%	23384376
Totals:				1608149	\$4,587,792.00	4,746,276	\$13,333,991.00		

NO. OF TICKETS:	29,860,050	MIN:	28,694,400
NO. POOLS:	124.42	MAX:	29,865,600
PACK SIZE:	150		
PACKS/POOL:	1,600		
PACKS/GAME:	199,067		

TEXAS LOTTERY COMMISSION	
"HOT 7s" GAME NUMBER 2012	
END OF PRODUCTION PRIZE STRUCTURE	
MAY 25, 2017 - VERSION 2	
ST TICKETS	\$29,860,050 - REVENUE

PRIZE FUND	- \$17,921,783
PAYOUT %	- 60.0192665%

PRIZE TIER	#	TIER CODE	GET	WIN	ODDS OF 1 IN:	WINNERS IN POOL S	WINNERS IN (PER PACK*)	WINNERS IN (PER POOL)	PRIZE COST	PERCENT OF PRIZE FUND**	VALIDATION TIER LEVELS
1	1	L	\$1	9.38	3,184,758	16,000	25,600	\$	3,184,758	17.77%	
2	1	L	\$2	75.00	398,134	2,000	3,200	\$	796,268	4.44%	
3	2	L	\$1 x 2	15.00	1,990,827	10,000	16,000	\$	3,981,654	22.22%	
4	1	L	\$5	299.76	99,612	0.50	800	\$	498,060	2.78%	
5	1	L	\$1 x 5 (WINALL)	300.08	99,507	0.50	800	\$	497,535	2.78%	
6	4	L	(\$1 x 3) + \$2	149.96	199,119	1.00	1,600	\$	995,595	5.56%	
7	1	L	\$10	599.90	49,775	0.25	400	\$	497,750	2.78%	
8	2	L	\$5 x 2	599.78	49,785	0.25	400	\$	497,850	2.78%	
9	1	L	\$5 + \$2 + (\$1 x 3) (WINALL)	299.76	99,612	0.50	800	\$	995,120	5.56%	
10	1	L	\$20	599.90	49,775	0.25	400	\$	995,500	5.55%	
11	4	L	\$5 x 4	601.05	49,680	0.25	400	\$	993,600	5.54%	LOW TIER
12	1	M	\$40	22,053.21	1,354	-	11	\$	54,160	0.30%	
13	1	M	(\$10 x 3) + (\$5 x 2) (WINALL)	600.42	49,732	-	400	\$	1,989,280	11.10%	
14	3	M	\$20 + (\$10 x 2)	1,194.07	25,007	-	200	\$	1,000,280	5.58%	
15	1	M	\$100	23,868.94	1,251	-	10	\$	125,100	0.70%	
16	5	M	\$10 x 2 + (\$20 x 2) + \$40	12,016.12	2,485	-	20	\$	248,500	1.39%	MID TIER
17	1	M	(\$40 x 2) + (\$5 x 2) + \$10 (WINALL)	7,935.17	3,763	-	30	\$	376,300	2.10%	
18	1	H	\$777	119,919.88	249	-	2	\$	193,473	1.08%	HIGH TIER
				2 decimals = 4.70	6,354,425				17,921,783	100.00%	
				4 decimals = 4.6991							

Reveal a "7" symbol = WINALL

TEXAS LOTTERY COMMISSION
"HOT 7s" GAME NUMBER 2012
END OF PRODUCTION PRIZE STRUCTURE
MAY 25, 2017 - VERSION 2

Consolidated odds are 1 in:		
\$1	9.38	3,184,758
\$2	12.50	2,388,961
\$5	74.98	398,238
\$10	149.92	199,172
\$20	300.24	99,455
\$40	392.42	76,093
\$100	3,981.87	7,499
\$777	119,919.88	249
		6,354,425

WIN	GET	A	B	C	D
\$1	\$1	18 =	14 =	\$18	\$14
\$2	\$2	2 =	2 =	\$4	\$4
\$2	\$1 x 2	9 =	11 =	\$18	\$18
\$5	\$5	0 =	0 =	\$0	\$0
\$5	\$1 x 5 (WINALL)	0 =	0 =	\$0	\$0
\$5	(\$1 x 3) + \$2	0 =	1 =	\$5	\$5
\$10	\$10	1 =	0 =	\$0	\$0
\$10	\$5 x 2	0 =	1 =	\$10	\$0
\$10	\$5 + \$2 + (\$1 x 3) (0 =	1 =	\$0	\$0
\$20	\$20	1 =	0 =	\$0	\$0
\$20	\$5 x 4	0 =	0 =	\$0	\$0
		31	31	\$70	\$70
				32	32

* Each of the four GLEPS types will be used in approximately 25% of the packs in the game.
** Numbers are rounded.
Note: There will be no more than 34 winners per pack

No.

01/07/19

Game Name
Hot 7's

Game No
2012

Inv No.
90098441

Vendor
IGT

362-18-9009 RL003

TLC PO #

Description/Tickets Delivered Qty

Units per 1000

Unit Price

Amount

Delivered 29,860,050
Ordered 29,280,000

2% under 28,694,400
2% over 29,865,600

Acceptable Range 0

Sub Total \$331,147.97
Total \$331,147.97

Instant Ticket Game Analysis
8/28/16-8/25/18

Average Number of Weeks for 85% Average Sell Through

		Price Point					Price Point				
Print Quantities	\$1	\$2	\$3	\$5	\$7	Print Quantities	\$10	\$20	\$25	\$30	\$50
< 5M	None	Week 12*	None	None	None	2M	None	None	None	None	None
5M-9.99M	Week 16	Week 18	Week 17	Week 19	None	3M	None	None	None	None	Week 52*
10M-14.99M	Week 21	None	None	Week 16*	None	4M	None	None	None	None	None
15M-19.99M	None	None	Week 32*	Week 52*	None	5M	None	Week 33*	None	None	None
20M-24.99M	None	Week 34*	None	None	None	6M	Week 15	None	None	None	None
25M-29.99M	None	None	None	None	None	7M	None	Week 49*	None	None	None
30M-34.99M	Week 41	Week 57*	None	None	None	8M	None	None	None	None	None
>35M	None	Week 60	Week 64	Week 52*	None	>9M	Week 33	Week 41*	None	None	None

Average Weekly Dollar Sales at 85% Average Sell Through

		Price Point					Price Point				
Print Quantities	\$1	\$2	\$3	\$5	\$7	Print Quantities	\$10	\$20	\$25	\$30	\$50
< 5M	None	\$714,918	None	None	None	2M	None	None	None	None	None
5M-9.99M	\$515,035	\$758,306	\$1,248,375	\$1,874,253	None	3M	None	None	None	None	\$2,913,384
10M-14.99M	\$466,349	None	None	\$2,919,843	None	4M	None	None	None	None	None
15M-19.99M	None	None	\$1,302,836	\$1,508,375	None	5M	None	\$2,578,733	None	None	None
20M-24.99M	None	\$1,078,385	None	None	None	6M	\$3,483,559	None	None	None	None
25M-29.99M	None	None	None	None	None	7M	None	\$2,502,908	None	None	None
30M-34.99M	\$632,952	\$1,039,084	None	None	None	8M	None	None	None	None	None
>35M	None	\$1,119,742	\$1,583,593	\$3,361,809	None	>9M	\$3,182,478	\$3,781,160	None	None	None

None = no games at this level with 85% sell through
* only one game at this level with 85% sell through

Excludes Promotional Tickets
Unaudited - For Internal Use Only