



Virginia Lottery FY19 Overview

Presentation for Senate Finance Committee
October 25, 2018

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Executive Director



FY18 Results

- Record sales of \$2.14 billion
- Record prize pay-out of \$1.3 billion
- Record retailer commissions of \$121 million
- Record annual profits of \$606 million

*Deposited \$14 million in **unclaimed prizes** in Literary Fund
Collected \$4.7 million in Virginia **income tax withholdings**
Collected \$2 million in **overdue taxes, fines, child support***

Final audited results Aug. 2018



	1 st Quarter FY19	1 st Quarter FY18	Change from Prior Year
Lottery Sales	\$537.5M	\$521.4M	+ \$16.1M (+2.4%)
Less: Prizes	(\$331.0M) (61.6% of sales)	(\$308.7M) (59.2% of sales)	+ \$22.3M
Retailer Commissions	(\$30.3M) (5.6% of sales)	(\$30.1M) (5.8% of sales)	+ \$0.2M
Expenses	(\$25.5M) (4.8% of sales)	(\$25.5M) (4.9% of sales)	+\$0.0M
Lottery Profits	\$150.7M (28.0% of sales)	\$157.0M (30.1% of sales)	- \$6.3M



WHERE VIRGINIA LOTTERY PROFITS GO

Since 1999, all Virginia Lottery profits have been used for K-12 public education in the Commonwealth. The Virginia Lottery funds a wide variety of programs each year based on priorities set by the Governor and General Assembly.

Project Graduation

K-3 Primary Class-Size Reduction

Special Education

SOL Algebra Readiness

Virginia Preschool Initiative

At-Risk Students

Foster Children Education

School Division Priorities

English as a Second Language

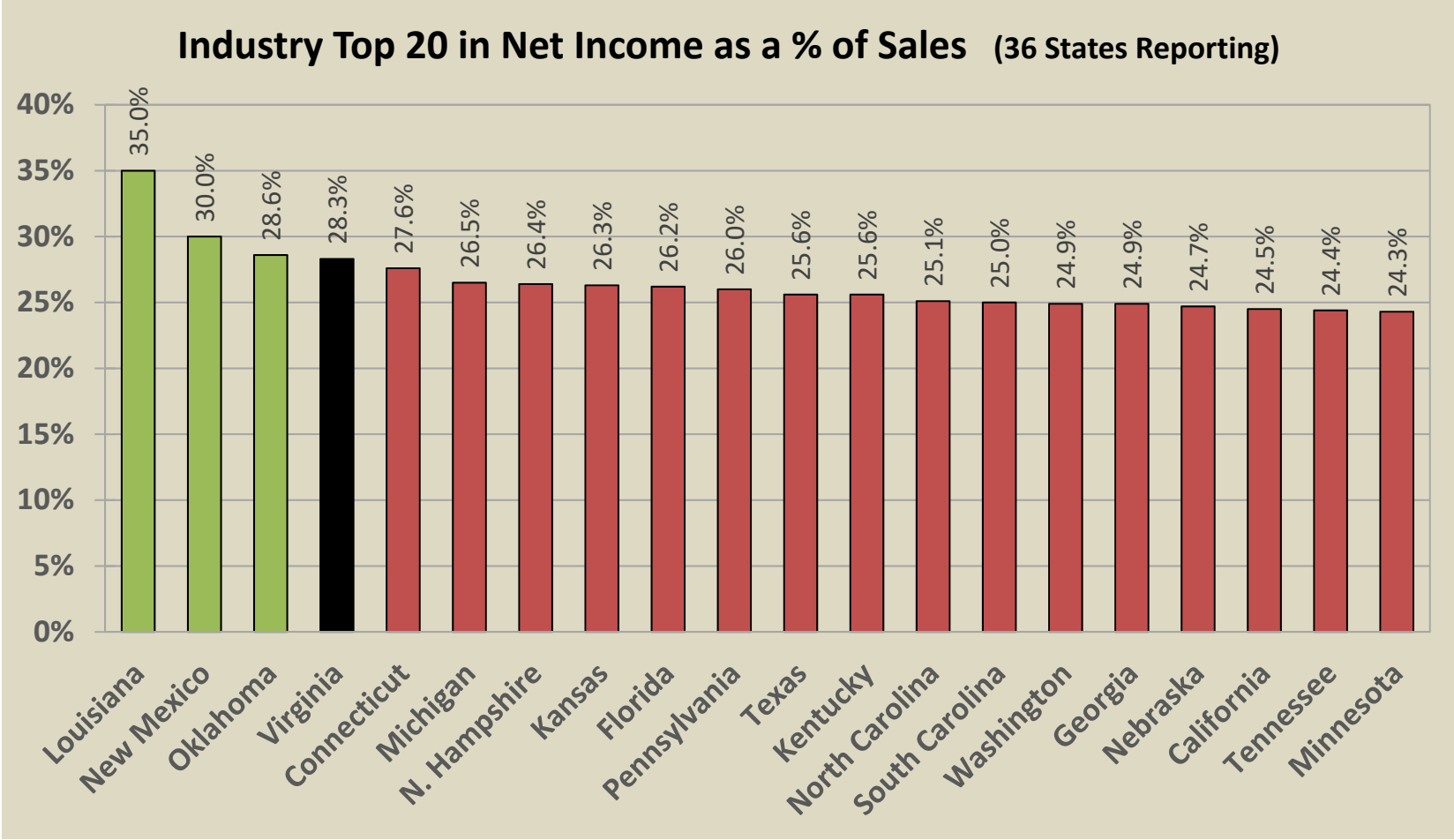
Early Reading Intervention

Textbooks

School Breakfast

Career and Technical Education

Profit % of Sales: Virginia Industry Comparison





Lottery's FY19 Business Plan

*Reach players in new ways
and in new places*



Lottery Vending Machines

Touchscreen vending in 1,750 grocery & drug stores



Mobile app

~37,000 downloads since soft launch in July



Virginia Lottery

VA Lottery

#5 in Games

★★★★☆ 4.3, 23.3K Ratings

Free · Offers In-App Purchases

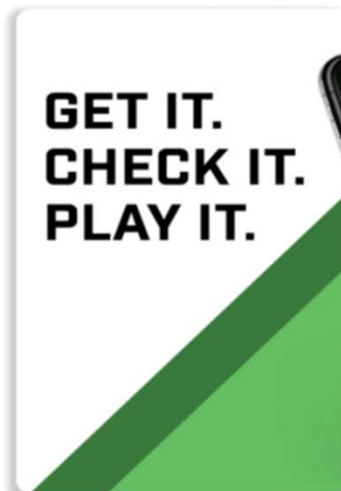
Screenshots

[iPhone](#)

[iPad](#)

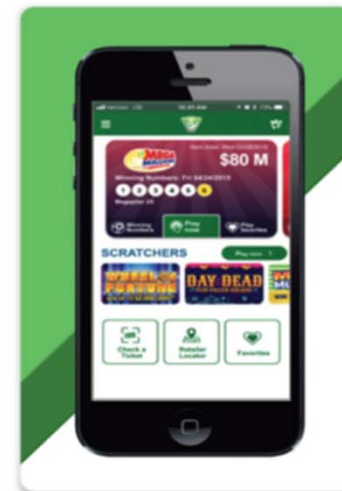
[iMessage](#)

[Apple Watch](#)



FEATURES

- Scan Virginia Lottery scratcher and draw game tickets to see if you won
- Check winning numbers for all Virginia Lottery draw games
- Fill out digital playslips
- Stay tuned for more updates to come!




Descriptions

Are you a winner? FIND OUT! Scan a ticket, check winning numbers and even fill out digital playslips! It's the ultimate Virginia Lottery gaming app with everything you need, all from your mobile phone or tablet!



Phase 1: July 2018

Convenience App

- Information, latest winning numbers for all games
- GPS locator to find nearby licensed retailers
- Users can store their favorite numbers
- Digital playslip with  allows faster, more convenient transactions
- Camera feature can scan barcodes to see if a ticket is a winner

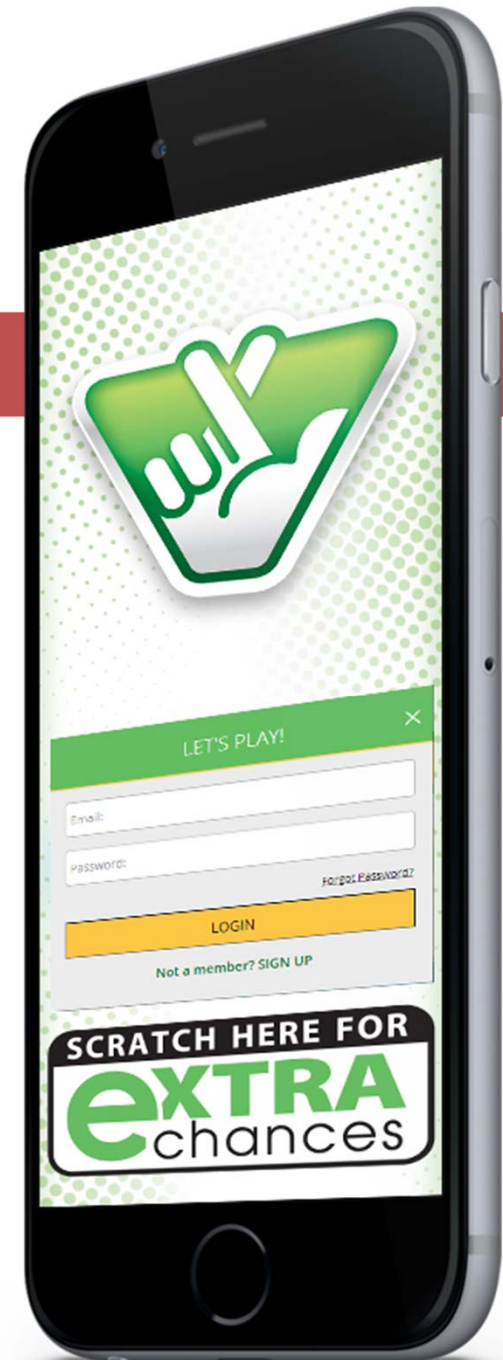


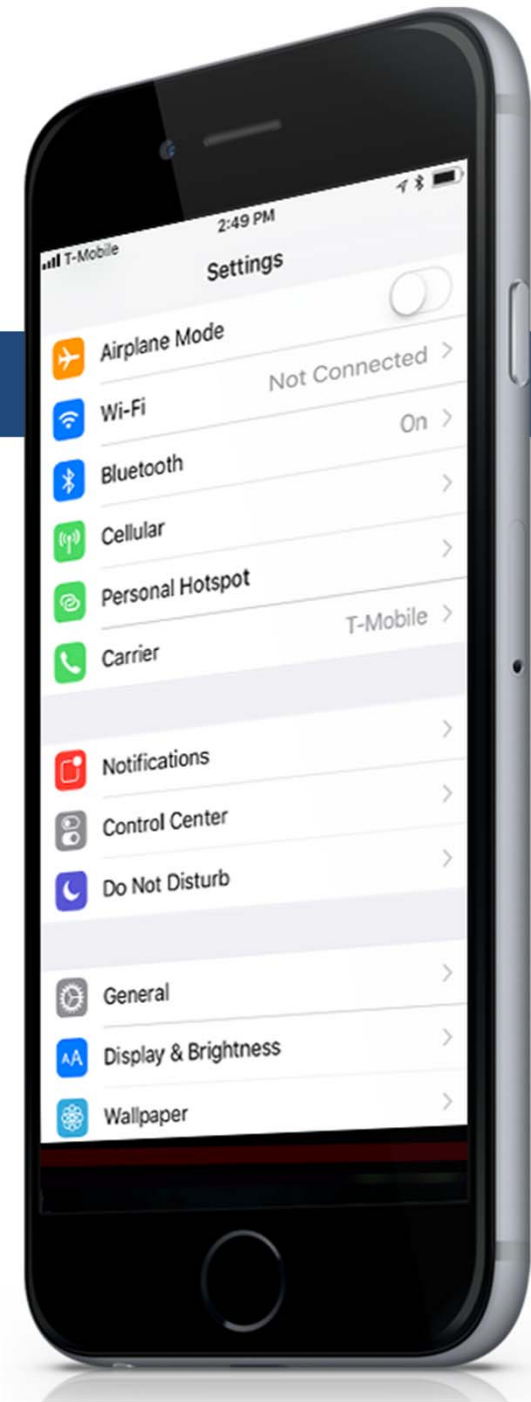


Phase 2: Nov 2018

Convenience App Enhancements

- Sign-in to registered player accounts
- Age verification and opt-in gaming controls
- Ability to enter non-winning tickets for 2nd chance drawings
- Opt-in push notifications for information on jackpots and new game offerings





Phase 3: Feb/March 2019

MobilePlay

- Bluetooth connection at licensed retail locations allows customers to purchase and download draw and instant win games
- Soft launch at 30 retailers in February, statewide launch in March 2019
- FY19 Goal: 200 new mobile-only retailers, including sports bars & microbreweries.



Lottery Challenges

A more competitive gaming environment in Virginia

- **Historical video horse racing**
- **New Kent & Bristol casino proposals**
 - **Sports wagering**
- **Consumer shift to mobile commerce**



FY19 Business Plan Includes Marketing Emphasis on the Lottery's Positive Social Purpose





The Virginia Lottery is the Commonwealth's leading gaming authority, with a 30-year reputation for integrity, a robust retail footprint, proven marketing proficiencies, and a commitment to responsible gambling.





YEARS OF FUN!

More than \$9 Billion to Virginia Public Schools since 1999

Kevin Hall

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