



# Scientific Games fuels global offerings with expansion and acquisition

**Strengthening connection between retail and digital instant win entertainment is part of company's growth plan**

The remarkable growth in instant win entertainment over the last several years — both retail and digital — is a driving force behind the recent investments Scientific Games is making. The company's success as a global lottery provider has positioned it as the leader in game portfolio management, offering synergies between traditional instant "scratch" games sold at retail and instant games played online.

The global instant game market is projected to grow at 4% CAGR from 2020 to 2025, with the iLottery segment projected to reach 14.4% growth. In the U.S. alone, the iLottery market is projected to grow from \$3 billion in sales today to \$12 billion by 2025.

It's happening. In the last year, Scientific Games' work with the perennially innovative Pennsylvania Lottery to connect retail and digital has increased the Lottery's \$3.7 billion instant product category sales by more than 17% and its \$100 million iLottery category by more than 22% (fiscal year 2020 vs fiscal year 2021).

Another example is the Atlantic Lottery's strong focus on digital evolution led to significant growth for digital lottery performance. Across three fiscal years, 2018 through 2020, the Lottery grew total online sales by 152%, from \$38 million in 2018 to \$96.5 million in 2020. Equally as impressive, over the same period retail instant game sales grew by 4.3%, from \$228.5 million to \$238 million.

**...when retail and digital instant game portfolios are designed and executed properly, growth is the result.**

In both instances, when retail and digital instant game portfolios are designed and executed properly, growth is the result.

## Instant Growth

It's why Scientific Games is ramping up in an era that saw production and deliveries in many industries slowed or halted due to the pandemic. The company is pulling out all the stops, and pushing forward to keep 130+ lottery customers in 50 countries around the world up and running.

Relying on its logistics expertise and patented technologies, the company stood by its promise and kept the pipeline to lottery retailers flowing with scratch games throughout 2020 and 2021, strategically maneuvering around government shutdowns, shipping and supply chain challenges. With contingency plans activated and stringent safety protocols in place and, an all-in approach from managers and employees at five worldwide production facilities supported record fiscal years for many lotteries.

In the midst of global chaos, new production technology was being built and installed at its Leeds, UK production facility which serves the UK National Lottery and 50 lotteries in Europe and internationally. The Leeds facility is one of Scientific Games' five global instant games production centers.

Come September, the company was finally able to celebrate the official ribbon-cutting of its newest, most advanced lottery instant game technology that expands global production by 20%.

Harry Benn, Member of UK Parliament, participated in a COVID-safe ribbon-cutting ceremony and production tour with Mark Scholey, VP Global Manufacturing, and Kevin Anderson, VP Global Strategic Accounts EMEA,

digital solutions is expected to increase player engagement and drive further growth of our iLottery solutions in markets around the world.

The addition of Sideplay's digital game server content distribution technology to Scientific Games' existing digital tech stack will also allow for increased speed-to-market.

Consumer behavior over the last year is a measurement guide. There is a wider base of consumers online who are interested in lottery products. To remain relevant and keep lottery game entertainment at the forefront, lotteries are planning now for a future that includes iLottery.

Currently, Scientific Games services more than 20 iLottery customers in nine countries—Azerbaijan, Canada, Denmark, Germany, Norway, Sweden, Switzerland, Turkey, and the United States.

"Scientific Games is focused on ways that we can increase our speed to market and player experiences," said Scholey. "One of the pillars for success is investment in the games players is in when playing. We want to deliver excellent experiences through great game content. This is an overarching goal across all our product lines."

As for instant scratch games, the company continues to set the global lottery industry's gold standard for game programming security, producing more than 3,000 instant games per year that drive nearly 70% of global instant game retail sales.

Now, Scientific Games is channeling its five decades of knowledge and expertise performance for retail instant game portfolios with the same data-driven approach to creating synergies with digital instant portfolios. It's a connection driven by consumers that's crucial for lottery sustainability.

\*Sources: La Fleur's: Projected growth rates based on H2 Gambling Call(26C) Capital Global Gaming Data, 2020 Edition.



as well as a host of Scientific Games' UK employees.

"Our multi-million dollar investment in this UK production expansion represents our strong commitment to serve the UK National Lottery and lotteries throughout Europe, and to entertain the world's players through our instant game innovation," said Anderson.

With new production technology now operational, the world's largest creator, manufacturer and services provider of lottery instant games expects the additional production volume to add an estimated 175 employees to the company's UK workforce.

"The production technology expansion allows lotteries to bring new games to market more quickly so they can offer just-in-time inventory at retail. It strengthens our nearly 50 years of global leadership in lottery instant products, and importantly helps our lottery customers drive maximum proceeds to support their beneficiary programs," said Scholey.

The new technology is the most advanced in the world, offering a wide range of flexibility in instant game innovation including playstyle, color, images, ticket sizes, and specialty papers and finishes. The technology manufactures instant game tickets at 1,000 feet per minute and supports the company's commitment to quality environmental practices with the use of green technology, recyclable paper, water-based inks, and energy-efficient processes.

**Our innovation teams are focused on keeping them entertained with engaging content, and connecting the retail and digital lottery experience.**

"More than 20 million new players tried instant scratch games during COVID-19," said Scholey. "Our innovation teams are focused on keeping them entertained with engaging content, and connecting the retail and digital lottery experience."

Based on the significant uptick in online purchasing and entertainment usage during the pandemic, digital plays an increasingly important role in the lottery product mix.

## Digital Lottery Explosion

The current forecast\* on the potential for iLottery is an estimated \$47 billion globally by 2025. And it's exactly why — in addition to expanding instant game production capacity — Scientific Games recently acquired a leading digital instant game content studio, UK-based Sideplay Entertainment, to expand its portfolio of iLottery content and accelerate the global market penetration of its iLottery business.

Sideplay is the primary supplier of digital instant games to the UK National Lottery, one of the largest interactive lotteries in the world. In North America, Scientific Games is the exclusive distributor of Sideplay's top-performing content for industry-leading iLottery programs, including the Pennsylvania Lottery and Loto-Québec.

"This acquisition highlights our growth plan, our strategies around providing a wide array of high-performing digital content, and our goal to become the number one iLottery provider," said Anderson.

"We are delivering a breadth of products that ensures the right mix of games for our customers and players to facilitate growth and create exceptional experiences."

The combination of Sideplay's innovative portfolio of digital games and agile content distribution technology with Scientific Games' iLottery platforms and



OUR  
CONTRIBUTORS /

Many thanks to our PLATINUM Contributors



Many thanks to our GOLD Contributors



The WLA Magazine is published by:  
The World Lottery Association  
Avenue de Provence 14  
Case postale 6744  
1002 Lausanne  
Switzerland  
[www.world-lotteries.org](http://www.world-lotteries.org)

**Editor:**  
Paul Feinado,  
Communications Coordinator

**Contributing Editors:**  
Sarah Robine, John Smellie,  
and Matthew Spinks.

**Layout:**  
Shine Communication,  
Lausanne, Switzerland

The views expressed in the WLA magazine are those of the authors and do not necessarily reflect the views of the World Lottery Association.

# iLottery

Now is the Time to Stay Connected

Today more than ever, it's vital to be where your players are, wherever they are. Scientific Games' portfolio of iLottery products lets your players stay connected to each other and to the games they love.



Reimagine Next