

FY22 Retail Initiatives

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Iconic, Authentic LOTERIA in Limelight Post Pandemic

Talk about a brand's staying power. With rich history and recognizable illustrations dating back to the late 1800s, more than 125 years later *LOTERIA*™ is a cultural icon and widely popular bingo game played by generations around the world. The images are so embedded into our global culture, that Google recently dedicated a doodle to the beloved game.

A Latin-American game of chance played like bingo, *LOTERIA* features colorful images instead of letters and numbers. The symbols are iconic in Hispanic cultures, and have gained mainstream popularity in the U.S. and some European countries.

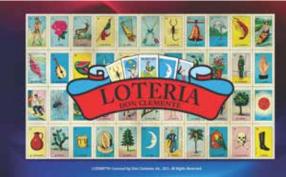
"Our LOTERIA lottery games feature the original Don Clemente trademarked game symbols which just cannot be replicated," explains Liz Johnson, Director of Lottery Licensed Properties for Scientific Games. "Players love our LOTERIA games, in some cases more than traditional bingo, because they are so colorful and visual."

So much so that authentic *LOTERIA* holds the No. 2 spot in the company's licensed brands portfolio, the largest in the lottery industry with more than 100 brands and representing \$2.6 billion in retail sales in FY 2021.

Johnson said *LOTERIA* is one of the most 're-introduced' brands, with 140+ launches by 29 lotteries to date. California, Georgia, North Carolina, New Jersey and Washington top the charts for total *LOTERIA* retail sales.

"Traditionally sold at \$2 and \$3, authentic *LOTERIA* instant games grew in popularity during the pandemic, with some lotteries exploring or already planning expansion to higher price points," shared Johnson.

Reflective of California's rich Hispanic heritage and population that dates back centuries, the California Lottery holds the No. 1 spot for *LOTERIA* scratchers retail sales. The Lottery currently offers a \$3 *LOTERIA* game. Based on recent performance, it plans to add a \$5 game to its portfolio this fall.



"As the California Lottery continues to look for ways to expand its portfolio of games to reflect the state's unique diversity, it seemed appropriate to start with one of our most popular games," said Whitney Alderson, Assistant Deputy Director, Marketing for the California Lottery. "The \$3 LOTERIA game is a top seller, reflecting the tremendous impact and love of Hispanic culture in the state of California. Adding a \$5 game is a natural evolution that also supports the strong player and retailer engagement in the game."



Washington's Lottery's \$2 and \$5 LOTERIA games out-performed bingo and crossword games and the Lottery will introduce their first \$10 LOTERIA game in the fall. Washington's Lottery is the third in the U.S. to offer the authentic brand at the \$10 price point, and the first to offer it in market across three different price points at the same time.

"We wanted to add an extended play game to our \$10 products. We researched the performance of our entire extended play product line, and *LOTERIA* was the standout. Our players look at *LOTERIA* as an extended play game with a different playstyle and images.," said Gaylene Gray, Instant Product Manager for Washington's Lottery.

"We haven't advertised or given marketing support to our *LOTERIA* games—the success is totally organic. We are looking forward to the launch of our new \$10 \$250,000 *LOTERIA* game in September 2021."

On the other side of the U.S., the Georgia Lottery has experienced great success with its authentic *LOTERIA* games that appeal to the state's growing Hispanic population.

"Since 2017, our \$2 LOTERIA scratcher has been a staple in our portfolio of offerings. The game continues to deliver a fun experience for our players and has generated \$89 million in revenues," said Katherine Cundiff, VP Product Development for the Georgia Lottery.

Scientific Games Insights and Analytics teams observed significant uptick in extended play games and higher price point games in general during and since the pandemic. Authenticity is also important to consumers.

"In a year where people were seeking familiar experiences, *LOTERIA* games delivered exactly that," said Foster Krupa, Senior Director of Product Innovation for Northstar New Jersey, working on behalf of the New Jersey Lottery. One of the Top 10 U.S. states with Hispanic populations, New Jersey (approx. 20% Hispanic) has offered authentic *LOTERIA* games for more than 10 years.

Instant games are currently tracking to a 20% increase in retail sales in 2022 and as lotteries enhance their portfolios for next year, many are turning to licensed brands to offer players more entertainment value.

"Our authentic LOTERIA games tend to have stronger average fiscal indexes and average weekly per capita sales, and sell through a greater proportion of inventory on average through the first 16 weeks," said Johnson.

As for the brand itself, it looks like authentic *LOTERIA* is here to stay for many generations to come.

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