

Data in Motion

Marketing & Insights



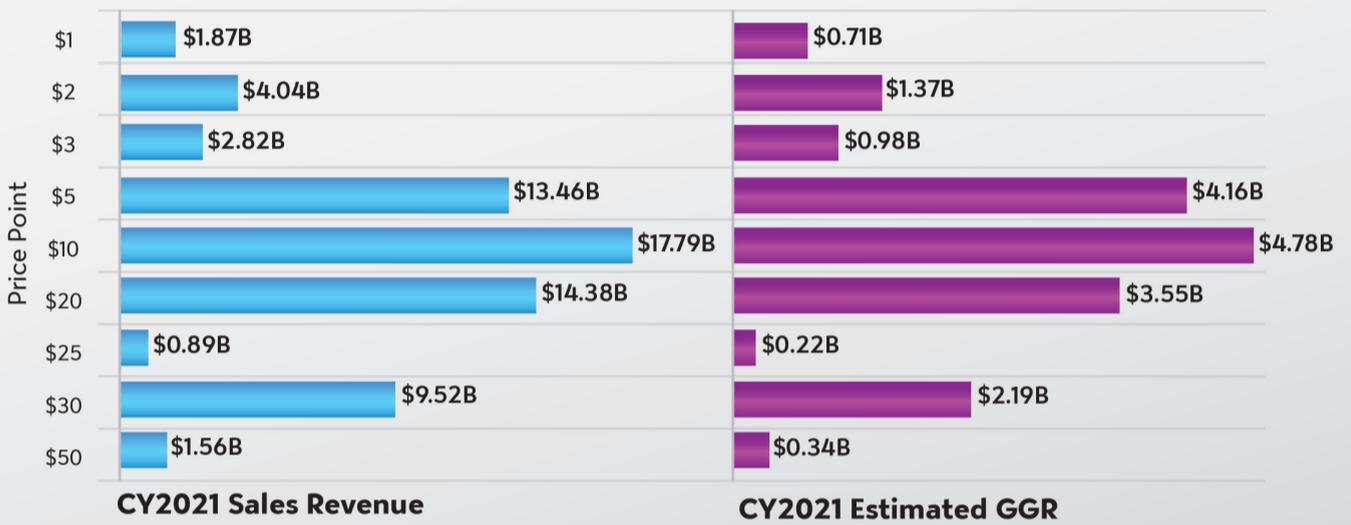
March 8, 2022

Insights and Data to Help Manage Today's Changing Consumer Environment

Our January 25th edition of Data in Motion provided an overview of how the instant game and draw products performed in calendar year 2021. In this issue of Data in Motion, we take a closer look at how the instant game performed in CY2021 compared to CY2020.

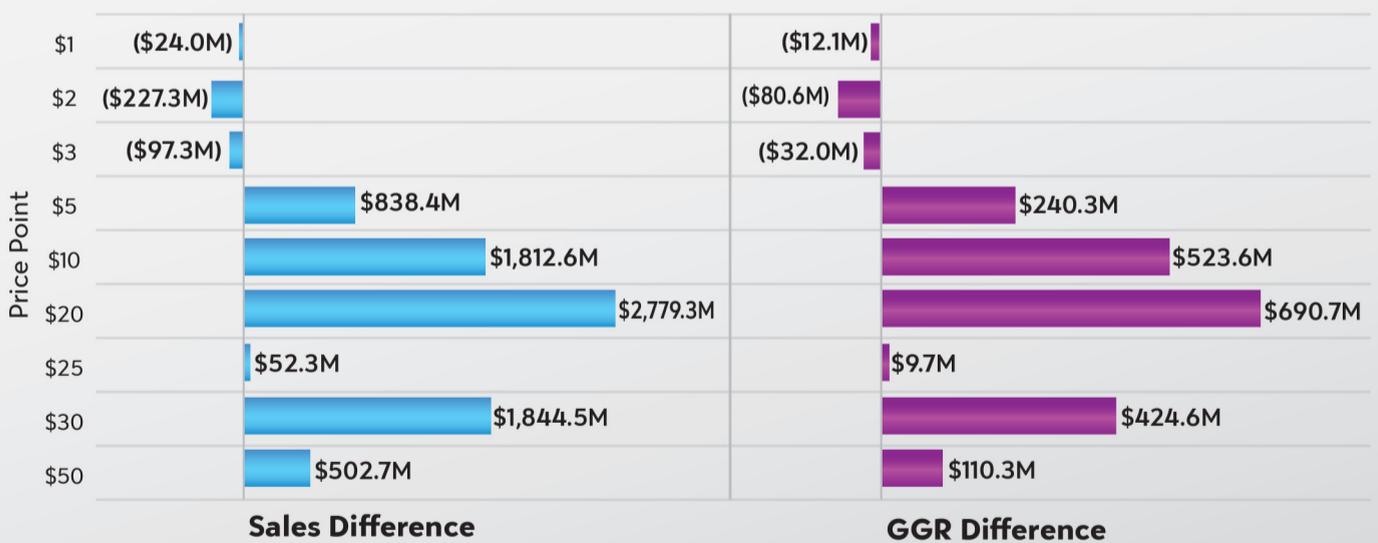
As noted in our January 25th issue, the instant game category grew 12.8% in CY2021, outpacing 2020 sales by \$7.5 billion and ending the year with a record-breaking \$66.3 billion in sales. Instant game gross gaming revenues (or GGR which is defined as sales minus payout) also grew compared to 2020, up 11.5% (\$1.9 billion), coming in at \$18.3 billion. And this growth was almost universally experienced – every U.S. lottery but one grew both sales and GGR in 2021.

Instant Sales & GGR



Why did topline sales growth outpace gross gaming revenues (12.8% vs. 11.5%)? At least part of the difference can be explained by the ongoing trend towards higher price points which all grew in 2021. Sales from the \$5, \$10, and \$20 price points collectively made up 68.8% of total instant sales for 2021. In absolute dollars, the \$10 price point retained its #1 position, ending the year at \$17.8 billion and accounting for approximately 26% of total sales. The \$20 price point replaced the \$5 price point at the #2 slot with over \$14.3 billion in sales (22% of total). The lower price points (\$1, \$2, and \$3) all saw a decline in 2021. Of these, the \$2 price point saw the most significant decline, with sales lagging by \$227.3 million vs. 2020, a 5.3% decrease.

Instant Sales & GGR YoY (CY2021/CY2020)



2021 Odds and Ends

- The overall number of instant games in market grew 6.4% in 2021 with the \$10 price point adding more games than any other (92).
- Multiplier, or X Games, such as 50X the Cash, 100X the Cash, etc. had the highest market share of Family of Games sales at 35.7% and accounted for over \$3 billion in sales.
- Annuity-themed instant games grew 26.5% in 2021 reaching \$12.9 billion in sales.
- Extended Play games grew 4.7%, with the \$10 price point representing the largest percentage of overall growth in this category (27.8%). The number of Extended Play games in market increased across all price points except for \$5 which came in three games shy of 2020's number.

Final Thoughts

With higher price points, Extended Play, Annuity games, Multiplier (X) games, and Families of Games all trending up, we as an industry should look for opportunities to combine these elements in a way that gives the player more value. An Extended Play Multiplier game at a higher price point, for example. Or a family of Crossword games. The possibilities are endless and fun to consider.

Contributor: Danielle Weeks | Editor: John Paul Candler | Design: Bobbi Martucci