

South Dakota Lottery Commission Meeting December 9, 2021



A DIVISION OF THE SOUTH DAKOTA DEPARTMENT OF REVENUE

Deputy Secretary of Revenue Comments



Executive Director Comments



Executive Director Comments

- FY21 Audit and Sales
- Instant Ticket RFP
- Lotto America Game Change – July 2022
- Video Lottery Site Equipment
- Lana Okeson - Retirement
- Alec Norwick – Video Lottery Accountant



FY2023

Budget Recommendation



Marketing Report



Holiday Campaign



- Paid media efforts began in November.
- This campaign is once again our largest campaign of the year.



Other Elements



- Holiday Greeting Cards
 - Available at Validation Centers
 - Include a QR Code to the Players' Club
- Holiday Hangover Second Chance Drawing



Gift Responsibly

GIFT RESPONSIBLY
Lottery Tickets
Aren't Child's Play.



- Our holiday campaign will also feature increased responsible gambling messaging.
- We are participating in the National Council on Problem Gambling's holiday campaign.



Dakota Cash Winner



- Damian Mullaney won a \$252,392 Dakota Cash jackpot
- This was the 13th largest jackpot in Dakota Cash history.
- Damian purchased the ticket at the Corner Gas & Goodies in White.



Dakota Cash Winner



- Damian agreed to a photo and advertising.
- “I will continue to play because this is not our big one. I hope you see me again in the next two years for a big, big jackpot. I can feel it in my bones.”



SOUTH DAKOTA



Winners

- Emil Goodteacher and Donna Knodel claimed a \$2 million Powerball prize in October.
- The prize was from the Aug. 28 drawing
- They purchased their tickets at the Hy-Vee in Yankton.

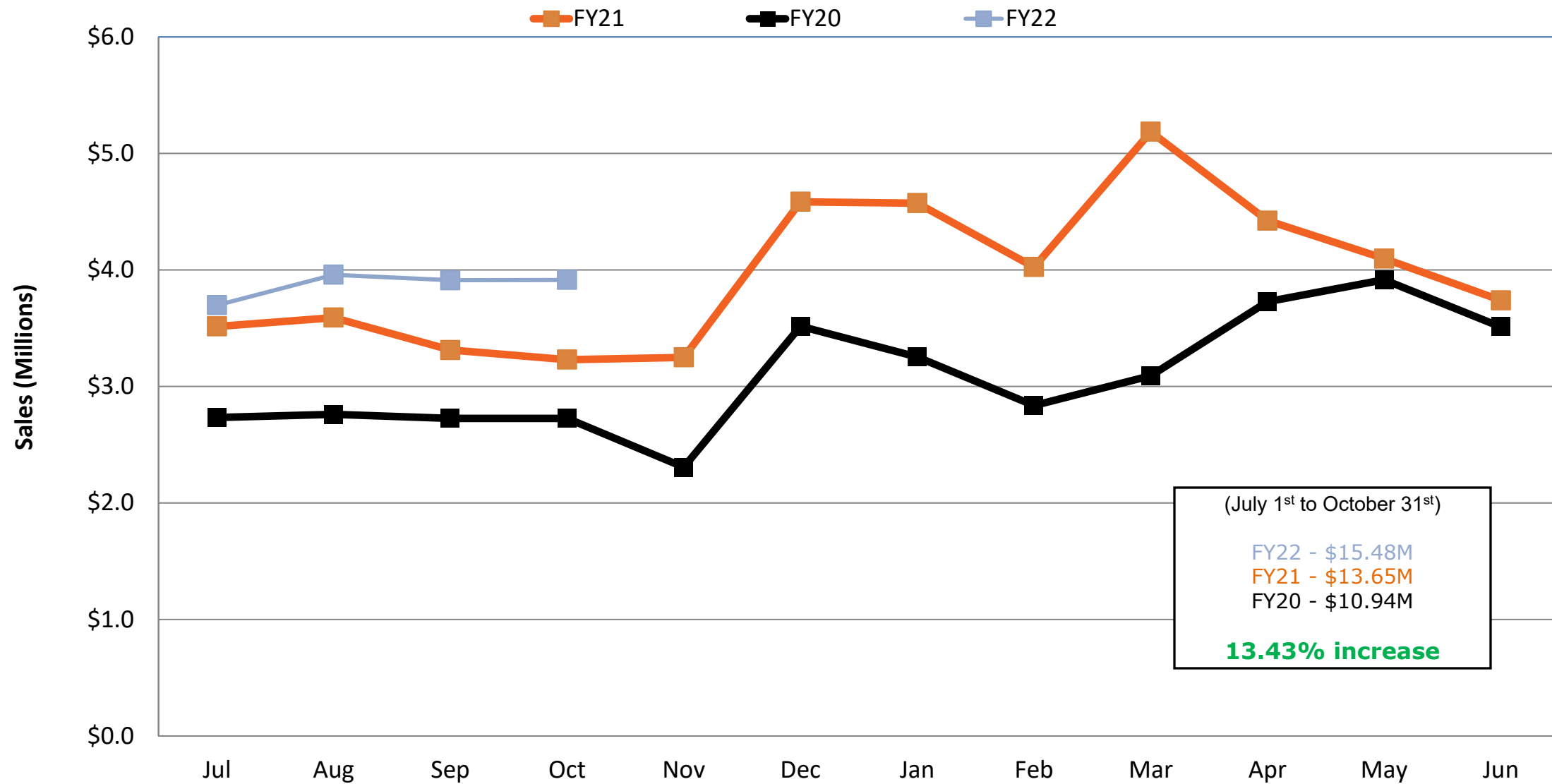


Sales Report



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Instant Sales



Growth Strategies



Gemini Vending Machines

- As a group, the Gemini Retailers are pacing 2% higher than the statewide average in both Instant and Online sales.

\$10 Cashword Price Point

- First Cashword at the \$10 price point. Launched in November and doing very well.





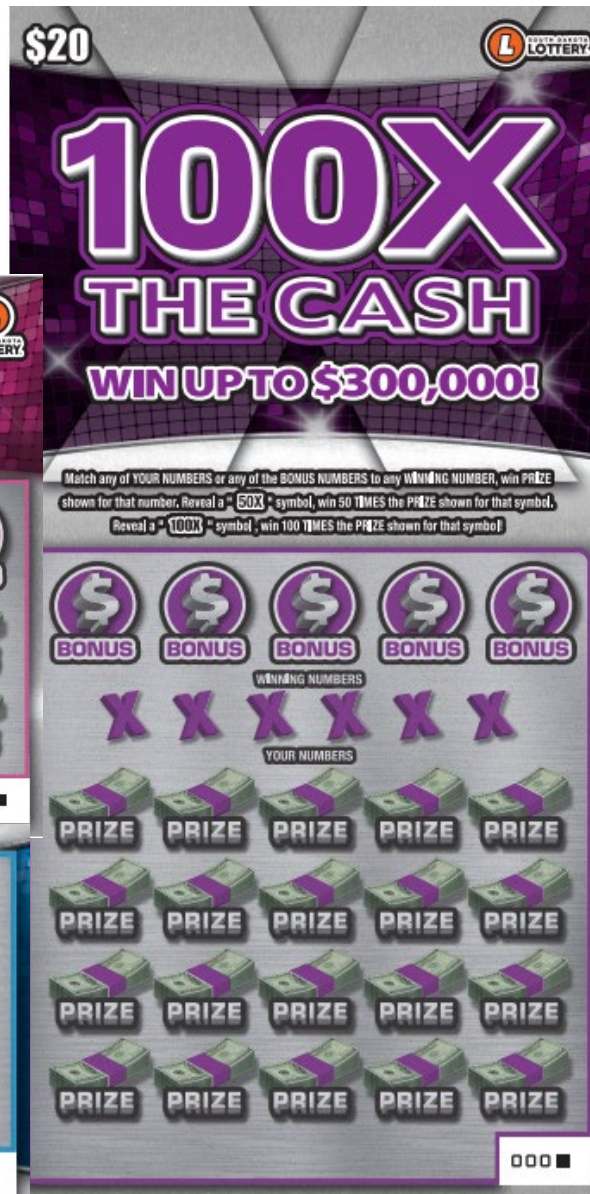
1st HD Ticket

← Covered

Uncovered →



The New X Family



Instant Top Prize Winners

\$100,000 Winner



**Holly Loyd
50X Wild
HyVee Gas
Yankton**

\$40,000 Winner



**Ashley Conroy
Joker's Wild
Gold Dust C Store
Deadwood**

\$30,000 Winner



**Kyle Westadt
VIP Cashword
Airport Café
Aberdeen**



Instant Top Prize Winners

\$7,000 Winner



Zane Bruns
Triple Winning 7's
A-1 Quick Stop
Elk Point

- **\$100,000 Black Ice (Pine Ridge)**
- **\$30,000 Fatter Wallet (Chancellor)**
- **\$30,000 Payday(Sioux Falls)**
- **\$25,000 Silver Cashword(Rapid City)**
- **\$25,000 Power 5's (Yankton)**
- **\$20,000 Bingo Night(Rapid City)**
- **\$7,000 Fat Wallets (1 Rapid City/1 Martin)**

Over 340
\$500 Winners

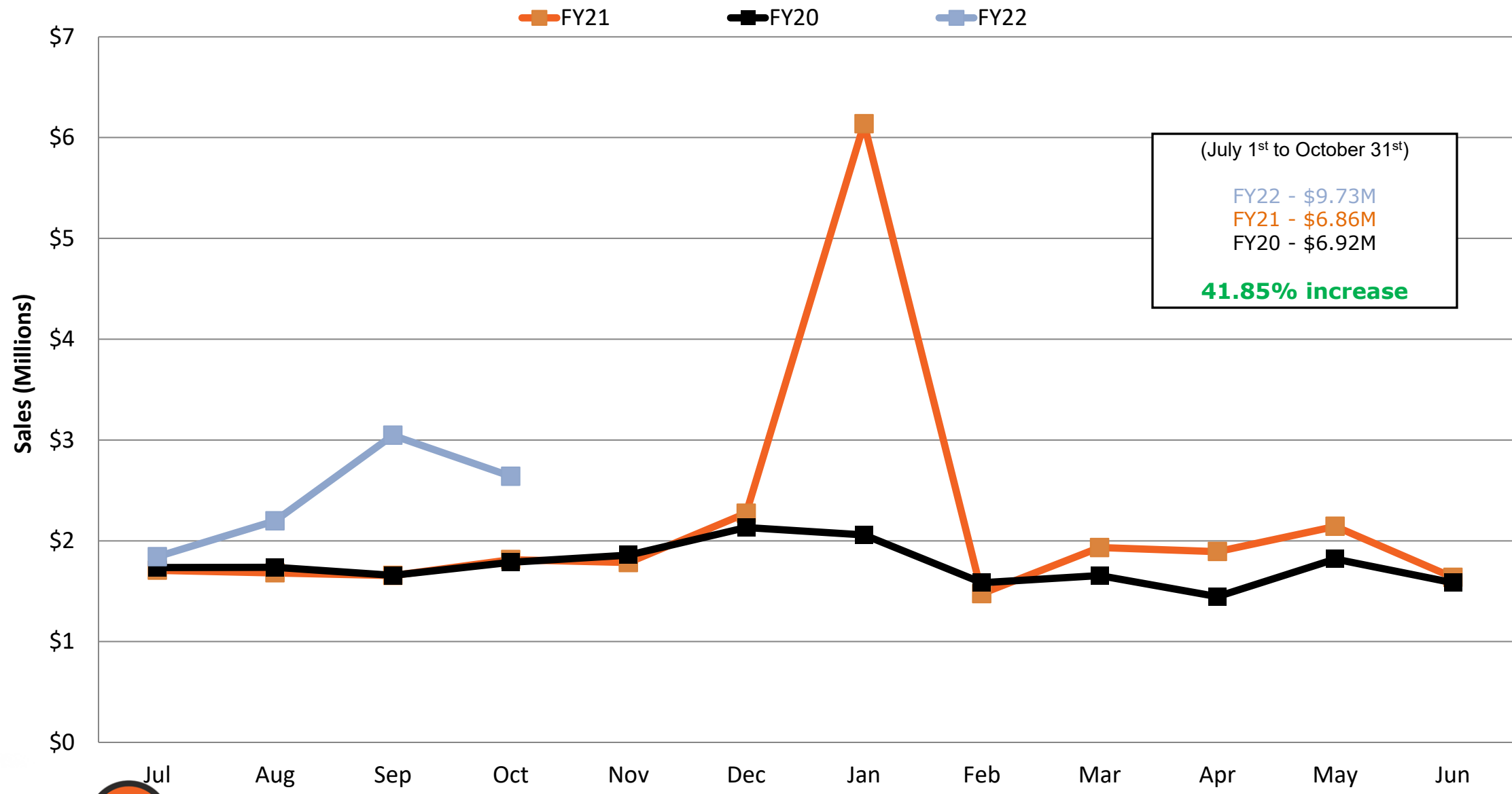




**Paid Out Over
\$7,500,000
Last Three Months**



Lotto Sales



Lotto Winners

\$252,392 Dakota Cash Jackpot

The Corner Gas & Goodies - White

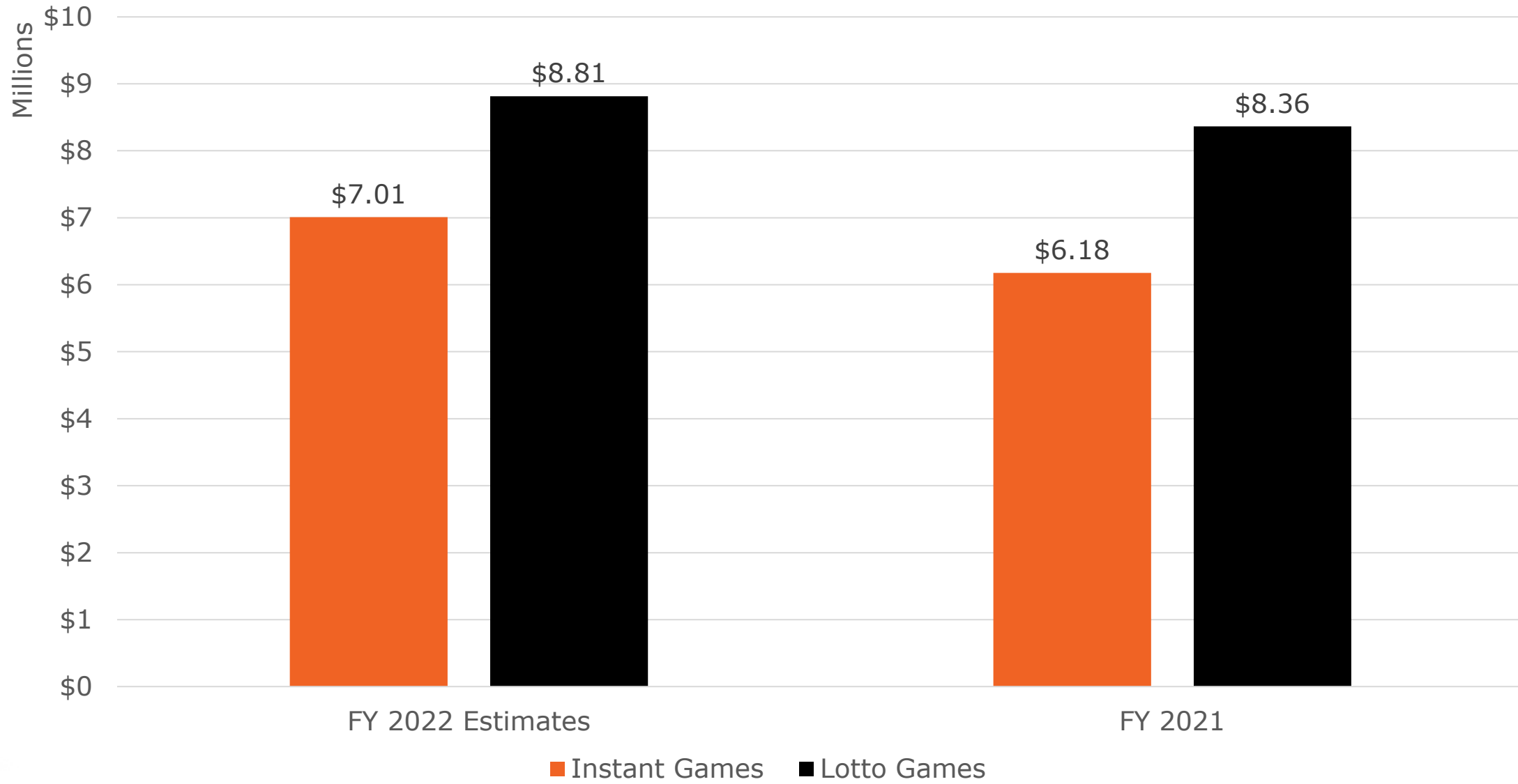


**Paid Out Over
\$3,600,000
in Lotto Prizes in
Last Three Months**

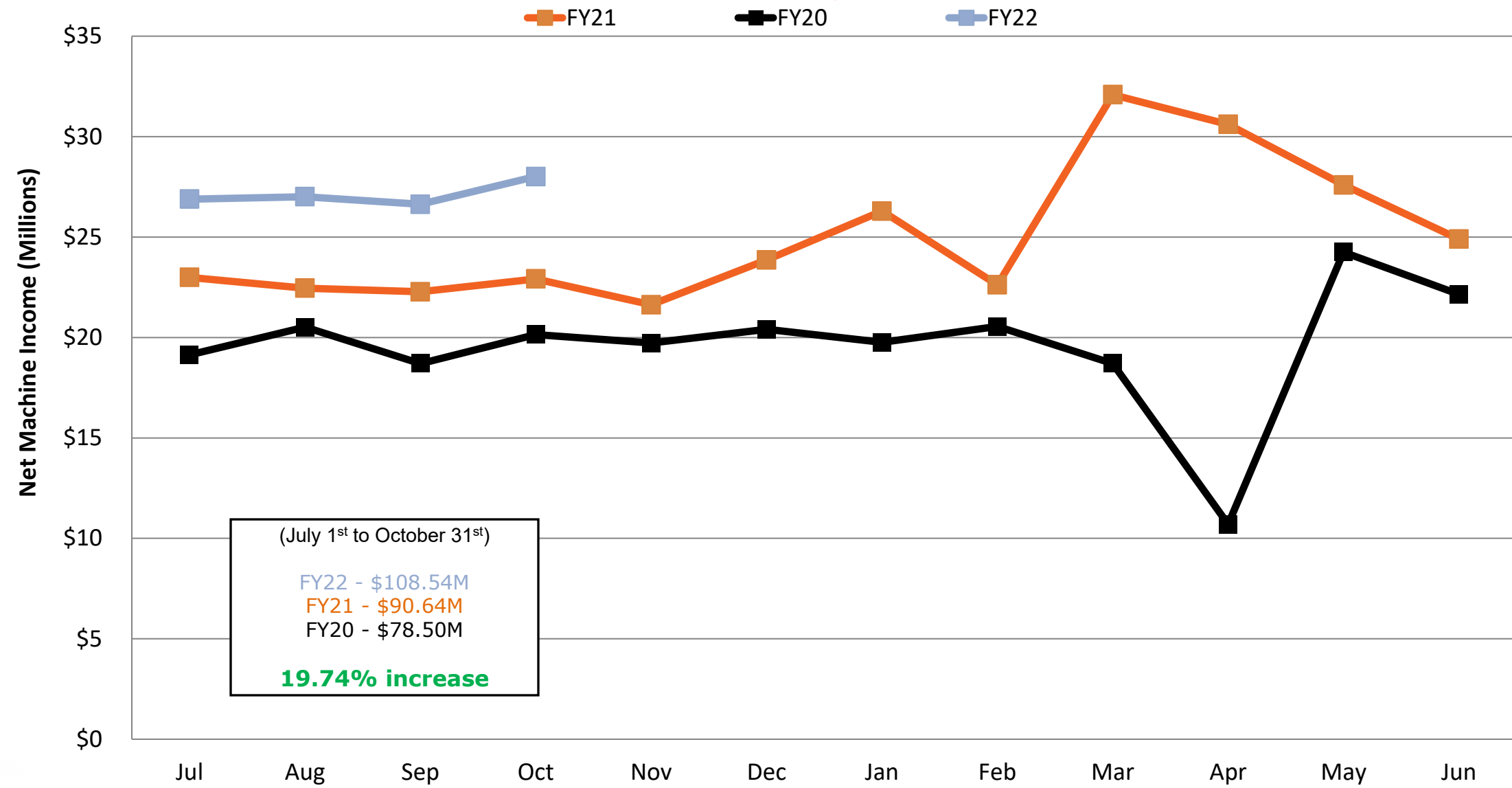
- **\$50,000 Powerball**
 - Classic Corner – Madison
- **\$50,000 Powerball**
 - Gas N Goodies- Watertown
- **\$5,000 Lucky for Life**
 - Boyd's Drug – Rapid City
- **\$5,000 Lucky for Life**
 - Cowboy Country Store– Watertown
- **\$5,000 Lucky for Life**
 - Dakotamart – Custer
- **\$5,000 Lucky for Life**
 - Casey's General Store– Tyndall
- **\$5,000 Lucky for Life**
 - Holiday Stationstore – Rapid City



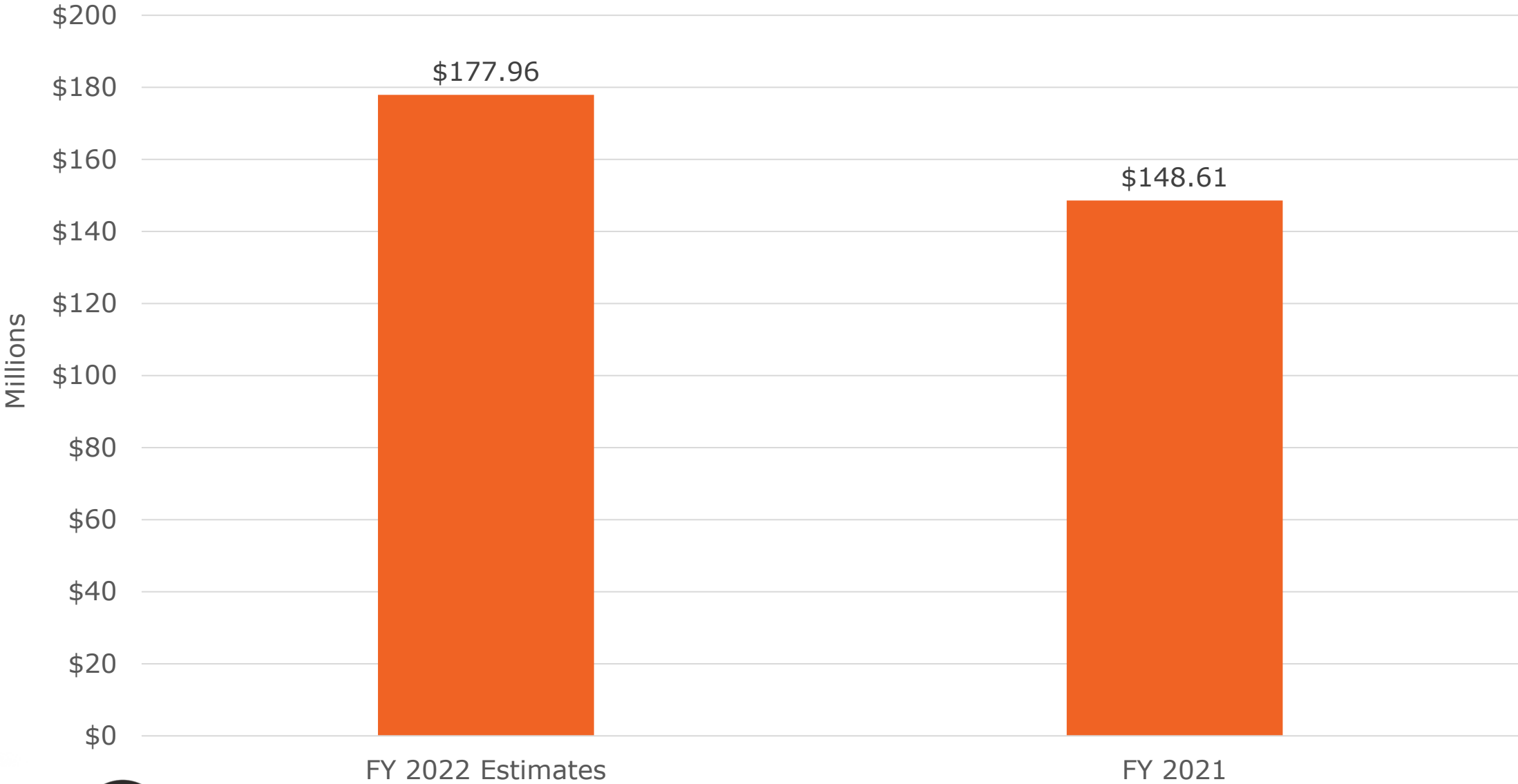
Instant and Online FY21 Revenue Projections as of October 31, 2021



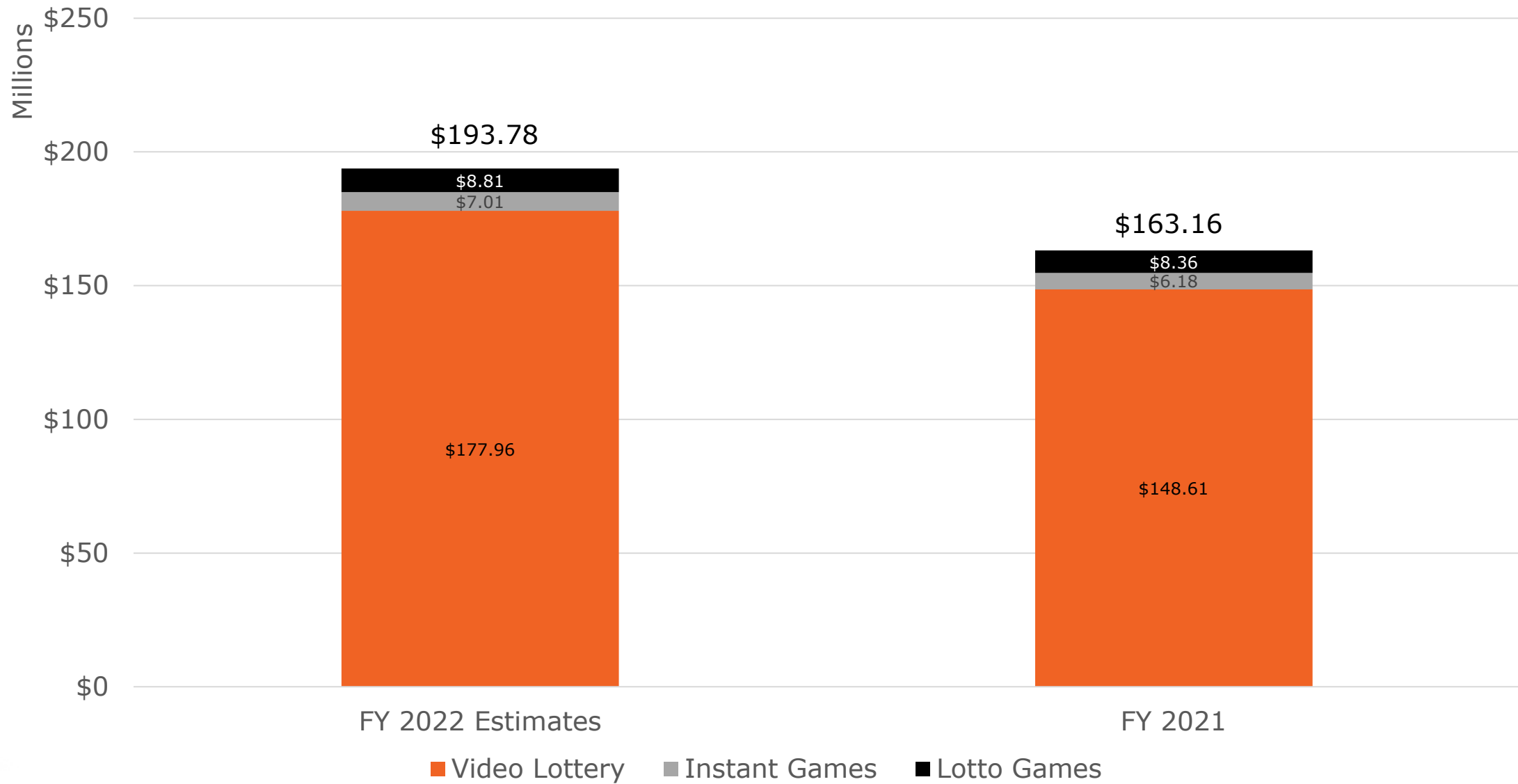
Video Lottery NMI



Video Lottery FY21 State Share Revenue Projection as of October 31, 2021



Total FY21 Revenue Projections as of October 31, 2021

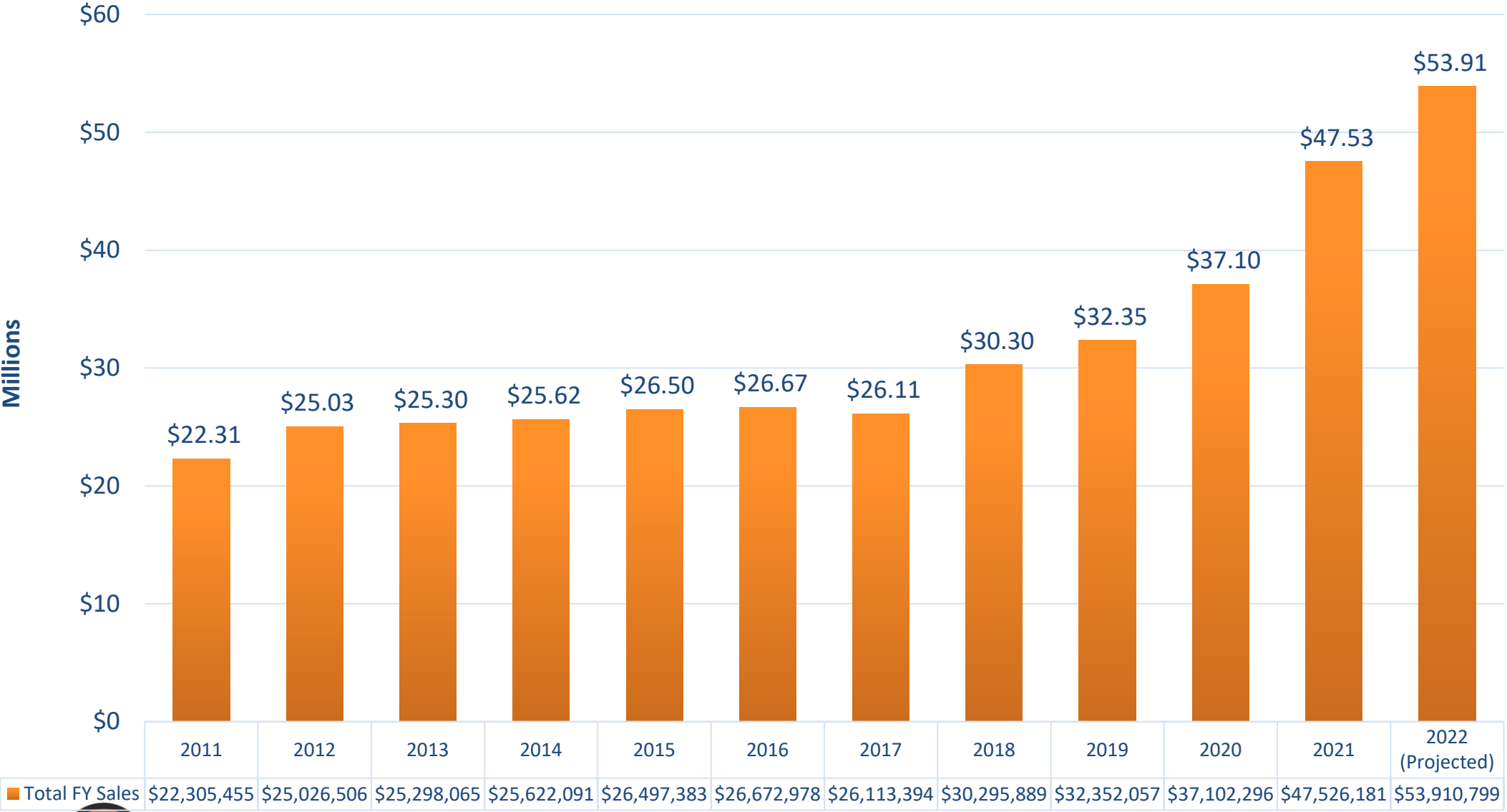


FY2022 Instant Review

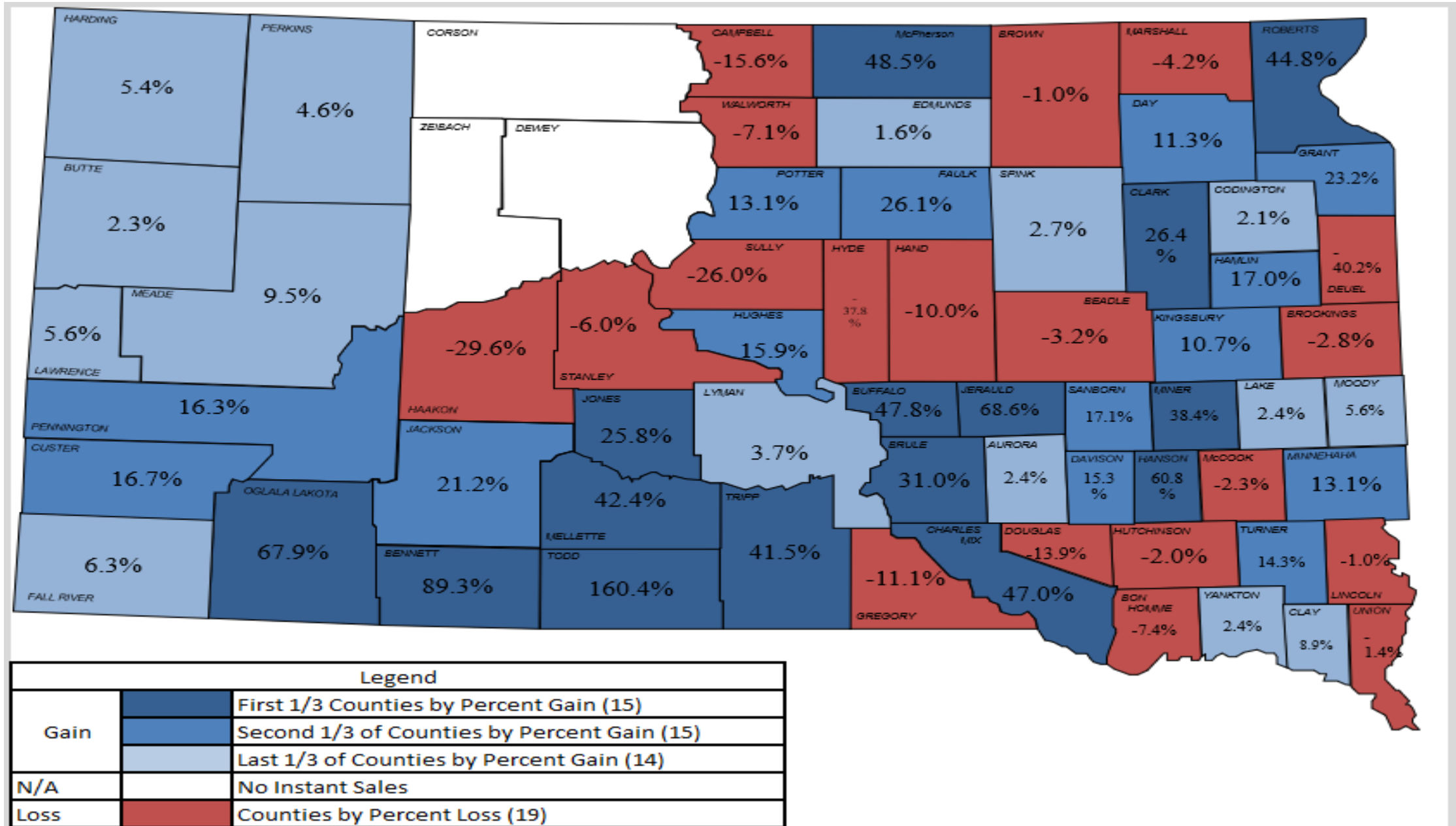


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Total Fiscal Year Instant Sales



Percent Change of Instant Sales YOY FY2022 over FY2021

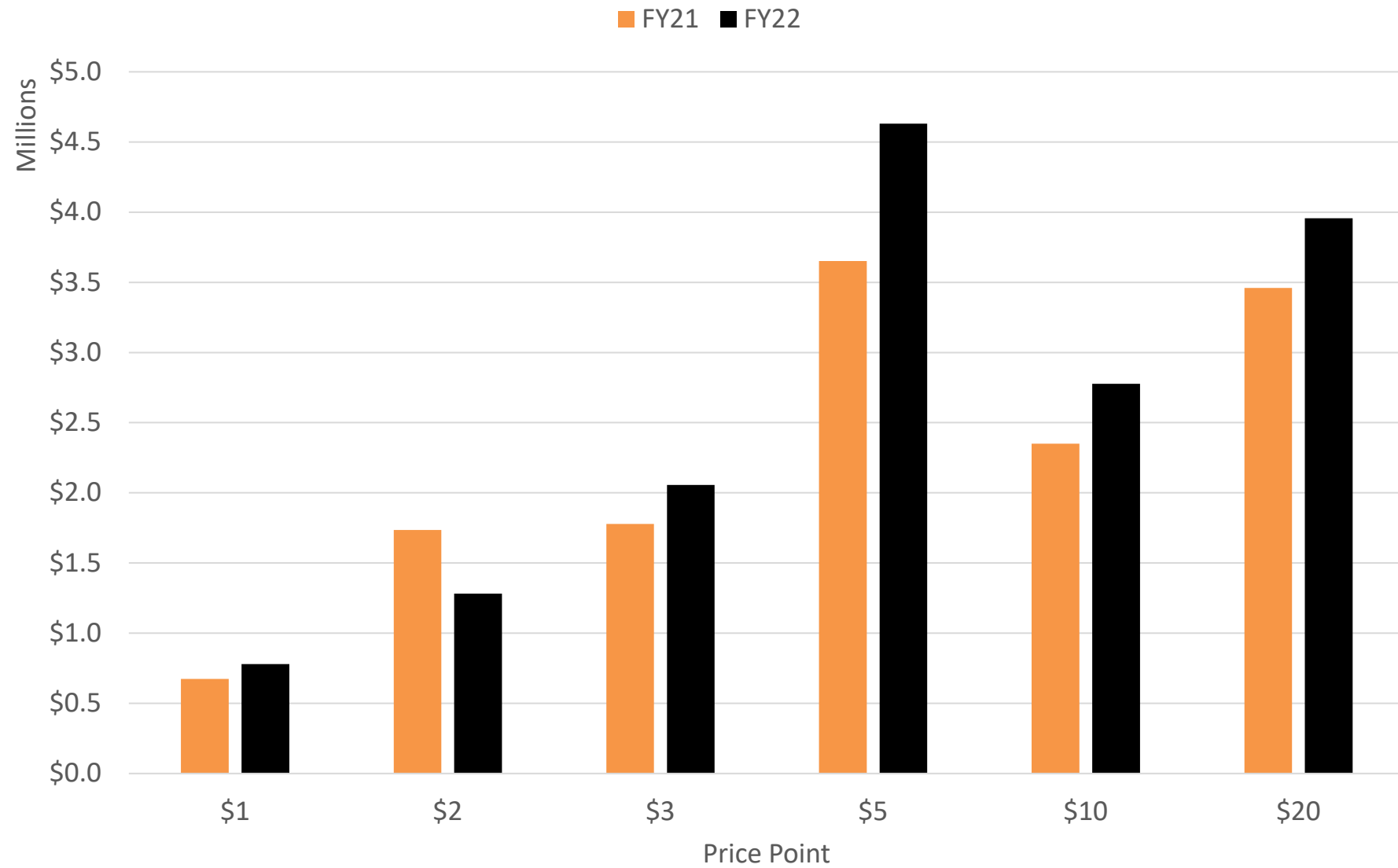


Top Instant Ticket Markets

	FY21	FY22	\$ Change	% Change
Sioux Falls	\$3,203,697	\$3,632,894	\$429,197	13.40%
Rapid city	\$1,856,305	\$2,183,027	\$326,722	17.60%
Aberdeen	\$585,100	\$571,475	-\$13,625	-2.33%
Watertown	\$489,699	\$509,939	\$20,240	4.13%
Brookings	\$340,711	\$340,382	-\$329	-0.10%
Yankton	\$354,681	\$363,101	\$8,420	2.37%
Spearfish	\$292,848	\$336,004	\$43,156	14.74%
Mitchell	\$306,376	\$353,244	\$46,868	15.30%
Pierre	\$285,045	\$336,843	\$51,798	18.17%
Huron	\$300,222	\$287,347	-\$12,875	-4.29%
Other	\$5,633,836	\$6,567,792	\$933,956	16.58%
Total	\$13,648,520	\$15,482,048	\$1,833,528	13.43%



Instant Sales by Price Point

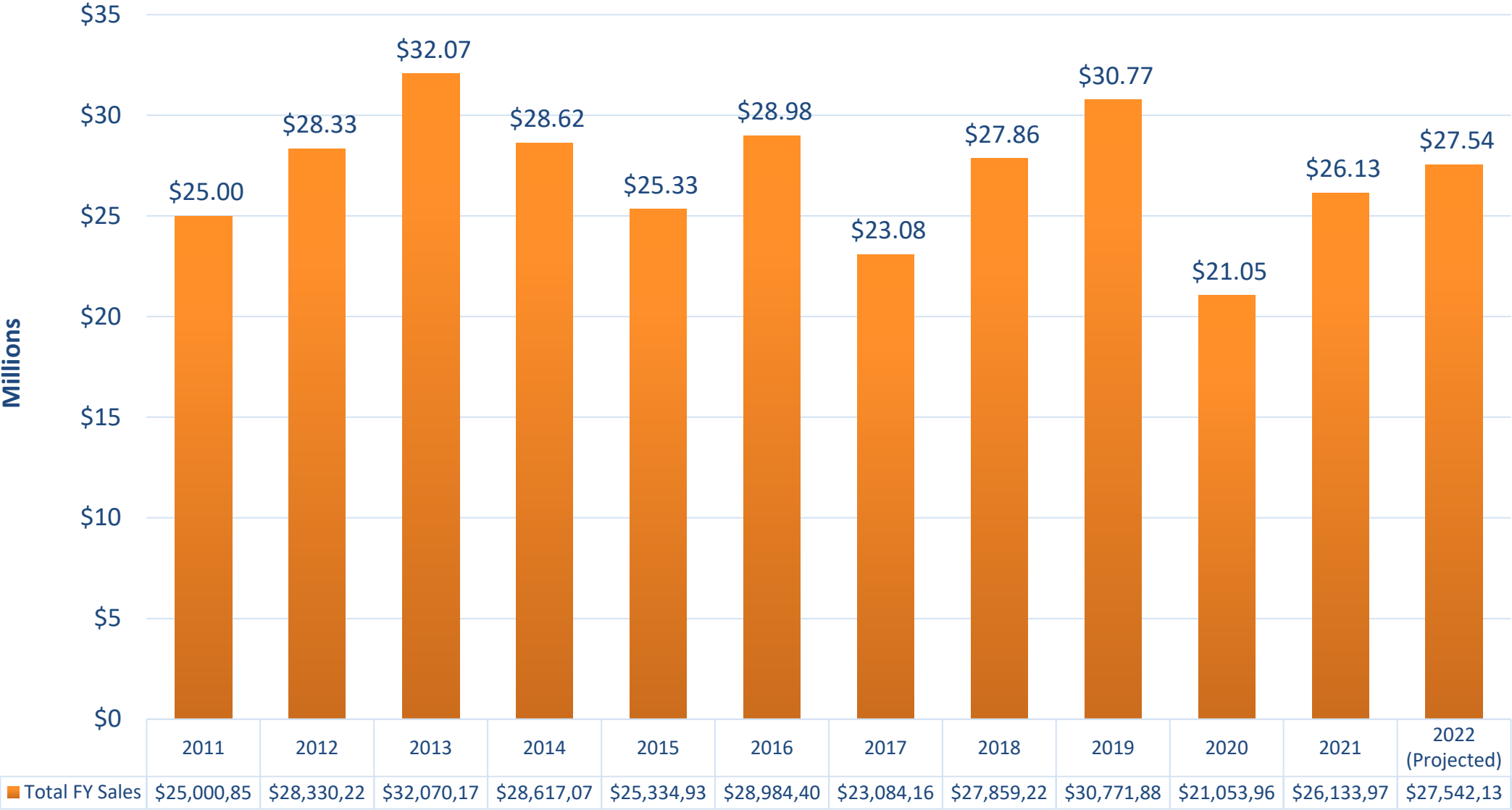


FY2022 Online Review

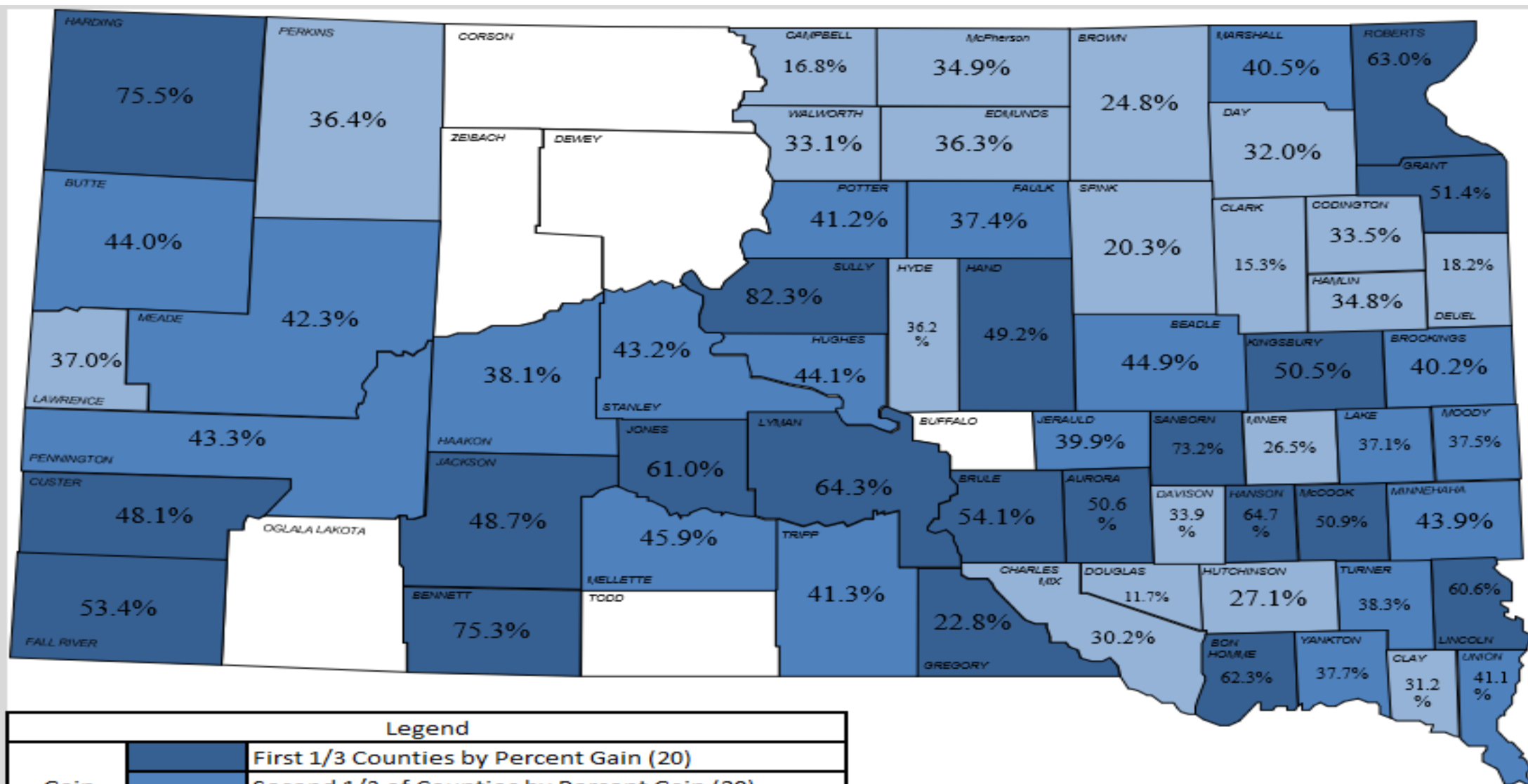


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Total Fiscal Year Online Sales



Percent Change of Lotto Sales YOY FY2022 over FY2021



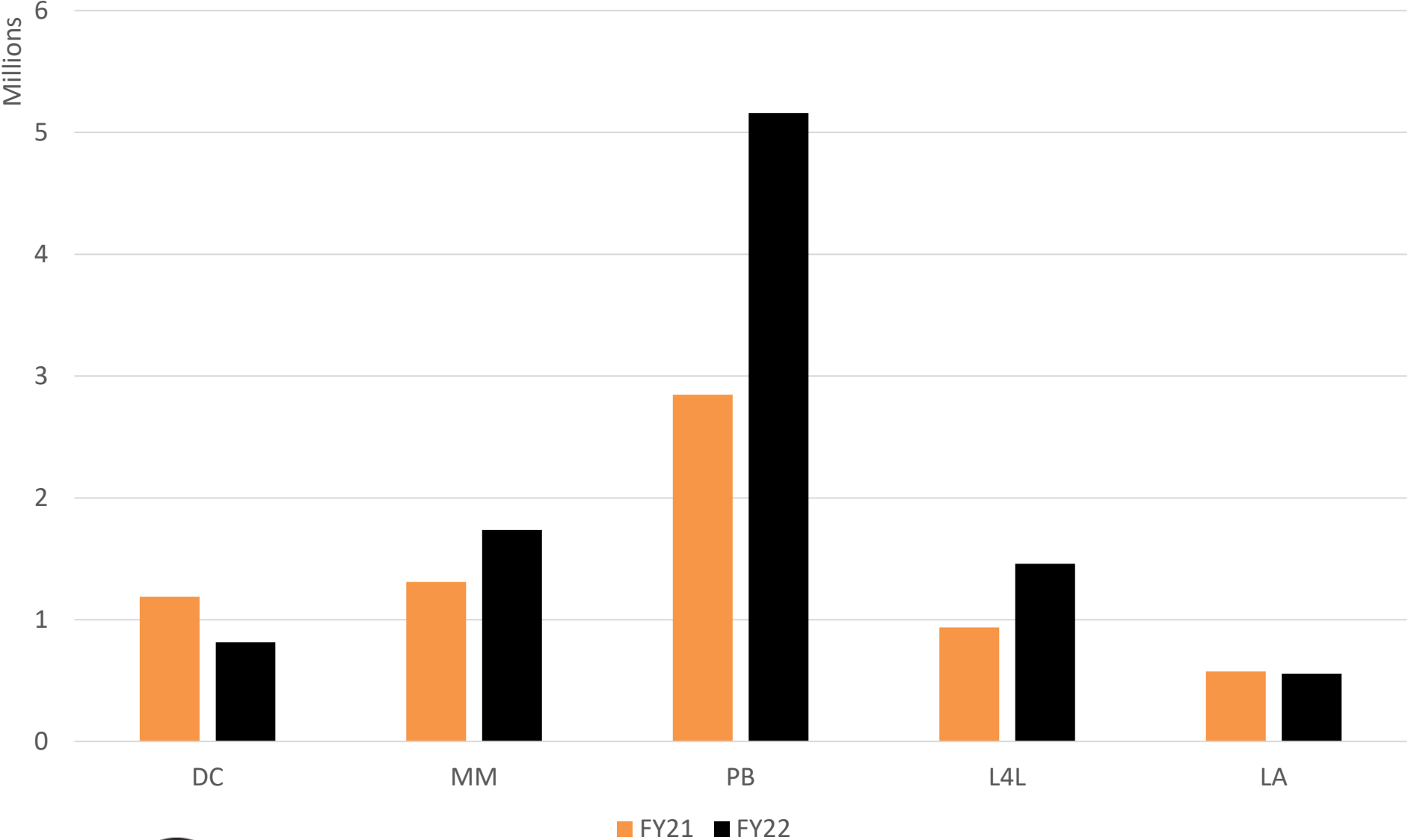
Legend		
Gain		First 1/3 Counties by Percent Gain (20)
		Second 1/3 of Counties by Percent Gain (20)
		Last 1/3 of Counties by Percent Gain (20)
N/A		No Lotto Sales
Loss		Counties by Percent Loss (0)

Top Lotto Ticket Markets

	FY21	FY22	\$ Change	% Change
Sioux Falls	\$1,479,957	\$2,177,712	\$697,755	47.15%
Rapid city	\$906,084	\$1,283,975	\$377,891	41.71%
Aberdeen	\$328,961	\$407,827	\$78,866	23.97%
Watertown	\$322,249	\$430,980	\$108,731	33.74%
Pierre	\$216,082	\$310,638	\$94,556	43.76%
Yankton	\$216,571	\$298,318	\$81,747	37.75%
Mitchell	\$196,554	\$263,134	\$66,580	33.87%
Spearfish	\$168,948	\$223,850	\$54,902	32.50%
Brookings	\$150,084	\$210,709	\$60,625	40.39%
Huron	\$131,447	\$191,457	\$60,010	45.65%
Other	\$2,740,382	\$3,928,525	\$1,188,143	43.36%
Total	\$6,857,319	\$9,727,125	\$2,869,806	41.85%



Sales by Lotto Game



Summary

- 2nd Quarter of FY2022 is showing strong sales with both the instant and online products.
 - Instant Overall Increase of 13.43%
 - Strong portfolio of games
 - Sustained player interest in the instant game products
 - Online Overall Increase of 41.85%
 - Fueled by the game changes
 - Elevated jackpots
 - Double digit growth

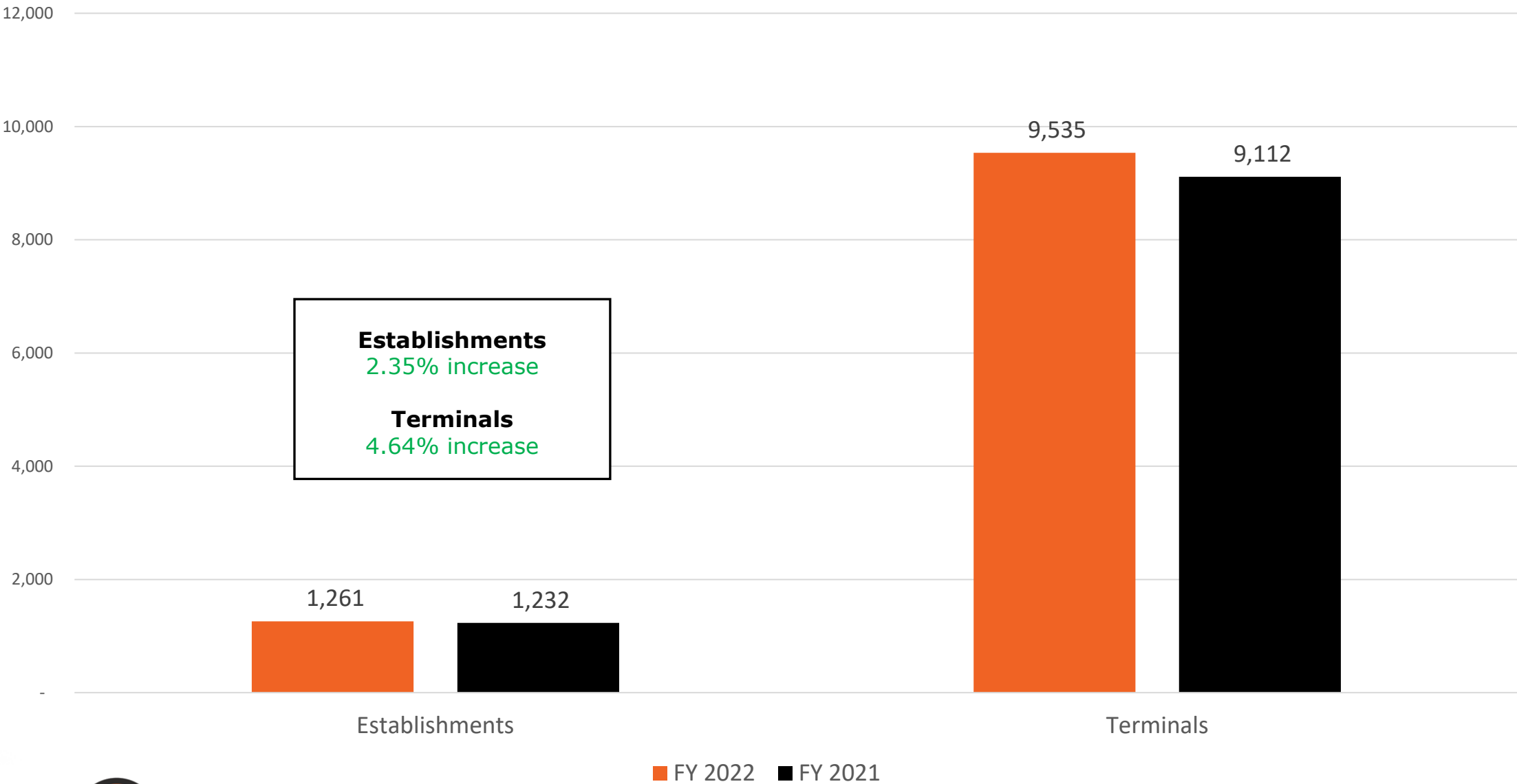


Video Lottery Report



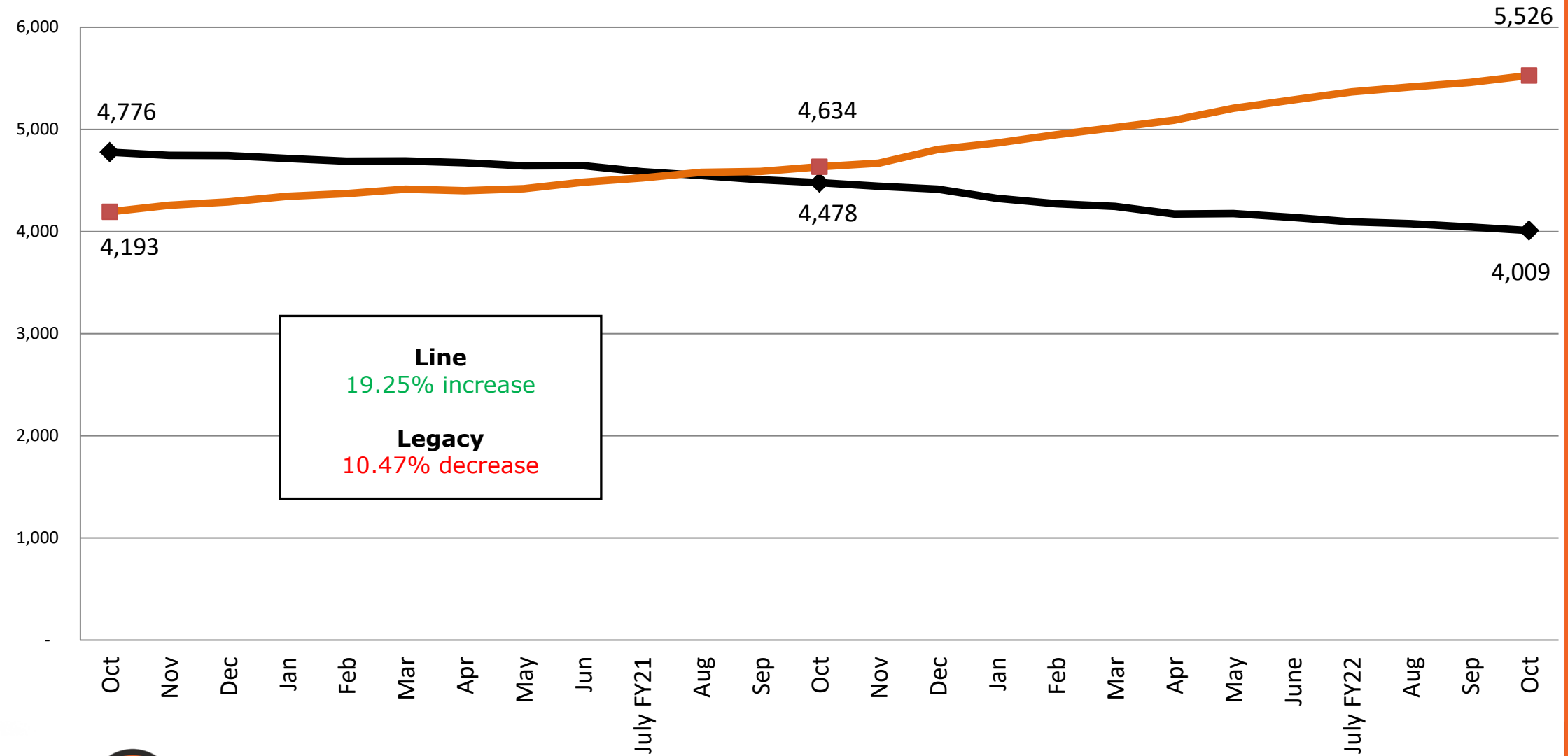
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Number of Active Establishments and Terminals as of October 31, 2021



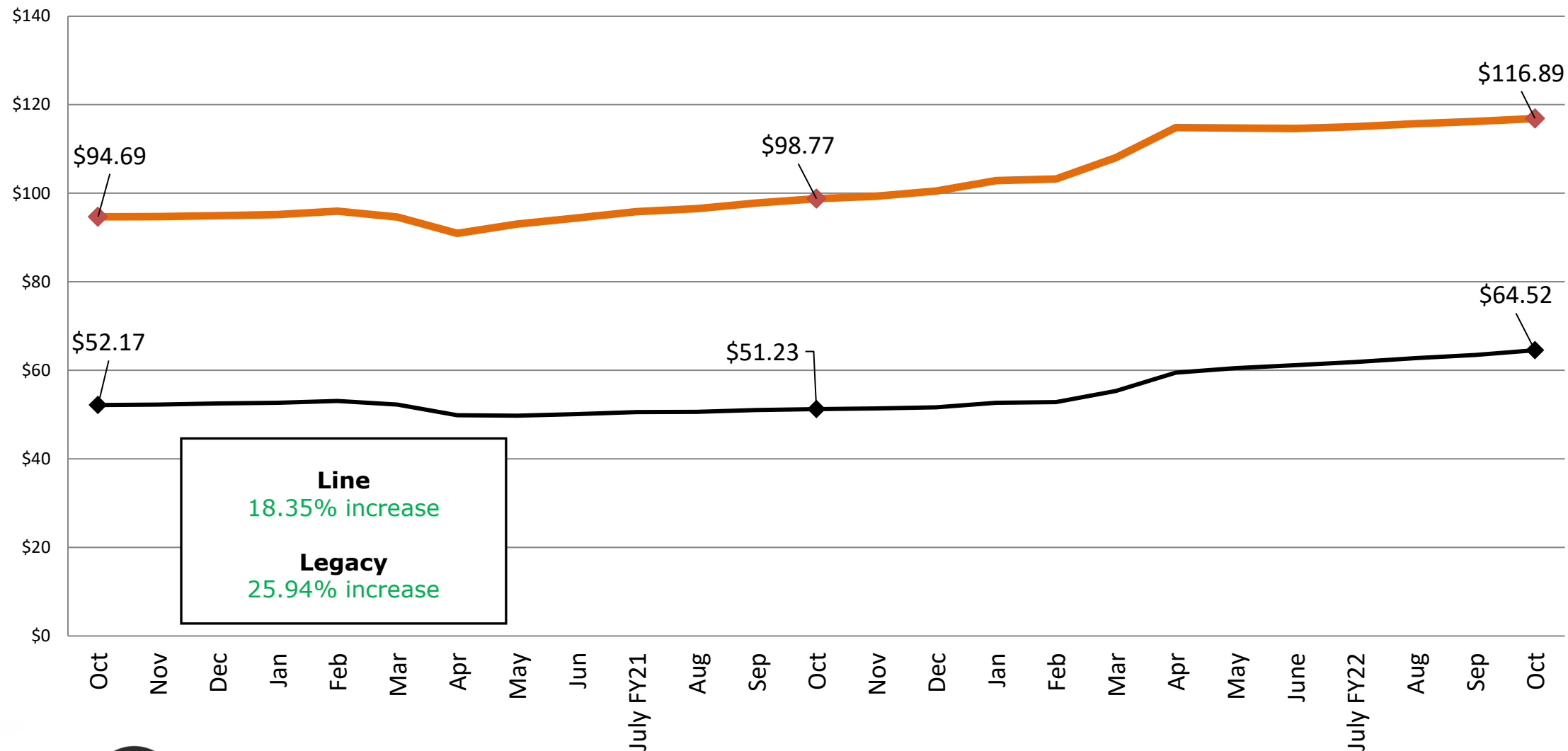
Terminal Counts - Legacy vs. Line

Legacy Machines Line Machines



NMI/Terminal/Day - Legacy vs. Line

— Legacy NMI per Machine per Day — Line NMI per Machine per Day



Multi-State Lottery Biannual Review

As a member of the Multi-State Lottery Association (MUSL) we are required a biannual on-site review.

- Review took place October 20th through the 22nd
- Reduce cross-jurisdictional and analyze the lottery's systems of controls.
- Focus on Computer Gaming Systems (CGS) and Internal Control Systems (ICS).
 - CSG system's provider, is International Gaming Technologies (IGT).
 - ICS system's provider, which is Elsym Consulting





SOUTH DAKOTA
LOTTERY™