

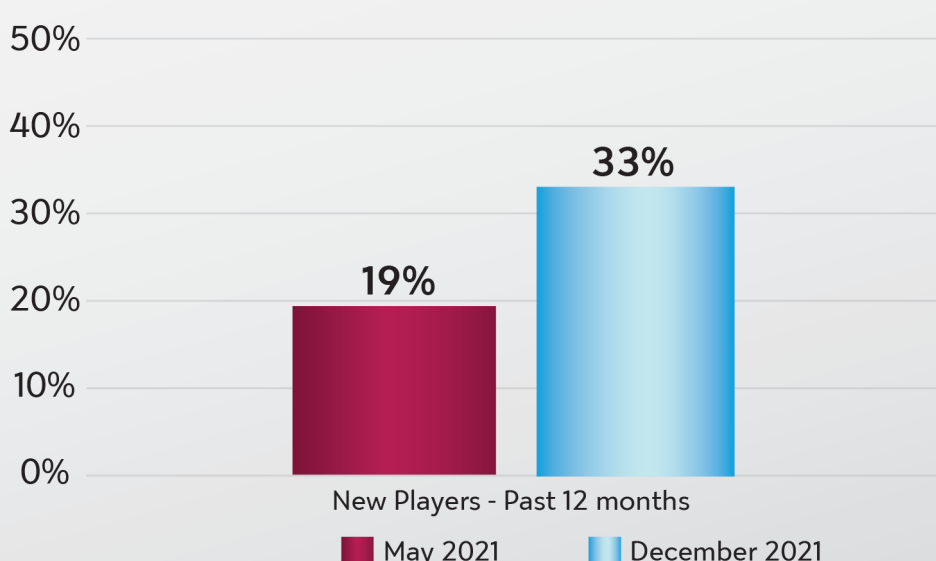
## Insights and Data to Help Manage Today's Changing Consumer Environment

An incredible number of people started playing the lottery in 2021, a phenomenon we covered in our June 2021 issue of Data in Motion. Entertainment options were limited due to the pandemic which led many lapsed and non-players to give lottery games a try. In this issue of Data in Motion, with many entertainment options having reopened, we look at whether this surge in lottery play was temporary or something more.

### Sticking Around

In a recent study, we found that many players who engaged (or re-engaged) with our products in 2021 are continuing to play, which would be good news on its own. But the study also revealed that the number of new players continues to climb: in May of 2021, **19%** of scratch-off players nationally indicated that they started to play less than 12 months prior. Six months later, in December 2021, the number of players who indicated that they started to play less than 12 months prior jumped to **33%**, an increase of 73%. This suggests that even as restrictions are lifted and traditional entertainment options become available, lottery products continue to appeal to new consumers.

### Started Play in the Past 12 Months

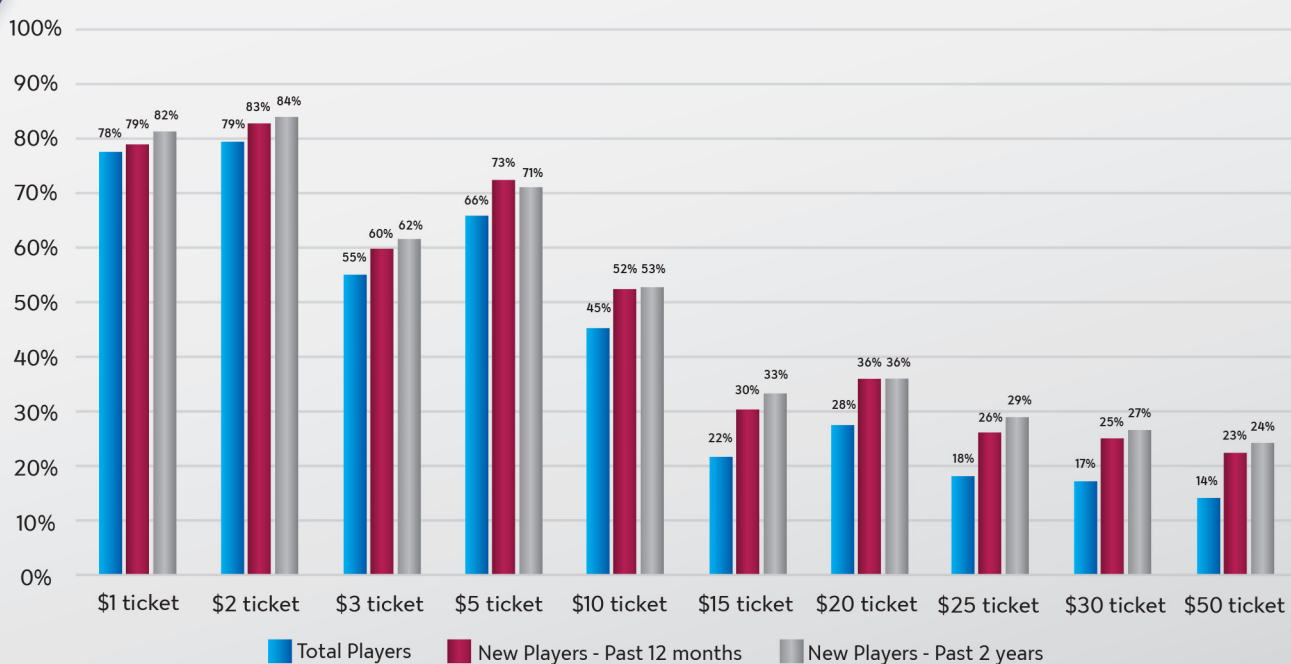


### Higher Price Points Preferred

In our June 2021 issue, we reported that new players were over-indexing at the higher price points which we attributed to their experience with other (then unavailable) gaming options. Our most recent study confirms this: Players who started to play less than 12 months prior to December 2021 played at elevated levels across all price points and played \$20+ dollar games **9 percentage points** higher (on average) than players who started playing prior to December 2019.

### Price Points Played in the Past 12 Months

December 2021

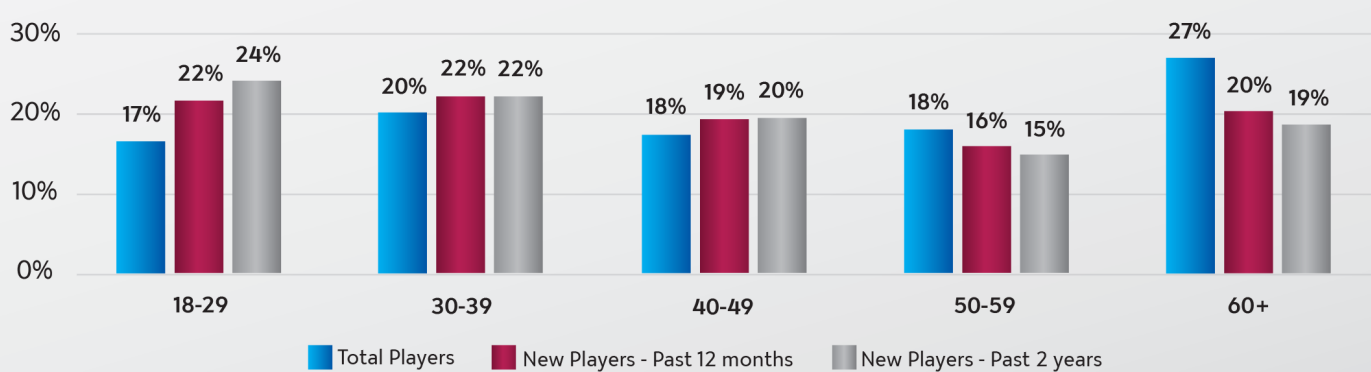


### Welcome Gen Z and Millennials!

Another interesting finding was that these new players tended to skew young – **24%** of players who started playing scratch-offs since December 2020 were 18-29 years old and another **22%** were 30-39 years old. Offering entertaining games that appeal to the younger age groups has been a longtime goal of our industry and we should prioritize keeping these players engaged with a diverse portfolio of exciting lottery options, including digital games.

### New Player Age Ranges

December 2021



### Final Thoughts

Now that many of the players who tried lottery for the first time over the pandemic are here to stay, the question turns to how they will develop as a lottery player. What price points are they likely to experiment with? What themes will they be attracted to? How often will they play? Where and how will they buy their games? Using a variety of research and analytics, we plan to follow these new players closely so that we can help our lottery partners design games, processes, and experiences that keep these new players engaged.